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OFFICIAL REPORT
(HANSARD)

Wednesday, October 31, 2001

—

Speaker: The Honourable Peter Milliken

CONTENTS

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

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HOUSE OF COMMONS

Wednesday, October 31, 2001

The House met at 2 p.m.

Prayers

• (1400)

[*English*]

The Speaker: As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

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

STATEMENTS BY MEMBERS

[*English*]

CANADIAN BANKERS ASSOCIATION

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I would like to take a moment to commend a unique money management seminar for senior high school students that is organized by the Canadian Bankers Association. This seminar entitled “There's something about money” focuses on introducing good financial basics to students.

I had the opportunity to participate in one of these seminars in my riding at David and Mary Thompson Collegiate. As a result of these seminars 94% of students felt better equipped to prepare for their financial future.

Prior to these seminars 46% of the students said they were not preparing for their financial future. The comments of students indicated a strong interest in all facets of the program, with particular emphasis in areas involving compound interest, credit rating and post-secondary assistance.

The overall content was rated good to excellent by 97% of the students and teachers. “There's something about money” is an excellent seminar for our youth. I extend congratulations to the Canadian Bankers Association for reaching out to our youth, their future clients but more so the future of our country.

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CIDA

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, Canadians trust their government to use CIDA funds for the

poor countries of the world, not for pre-election communication work in the riding of the Minister for International Cooperation.

It is obvious that the minister tiptoed around treasury board guidelines to avoid public scrutiny. However the issue is an ethical one about who was involved, the timing, if work was actually done and what kind. It is morally wrong for political campaigners to replace public service PR staff in a minister's riding, particularly just before an election. These actions would surely benefit the minister's election campaign, not the poor countries.

This is an hypocritical abuse of public funds by a minister whose role is to promote good governance in poor countries, which is why I am calling for an immediate investigation by the ethics counsellor and for her immediate resignation.

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NATIONAL 4-H WEEK

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, this week is National 4-H Week. The historical roots of the Canadian 4-H program are solidly grounded in rural Canada.

The program originated for the purposes of improving agriculture, increasing and bettering production, and enriching rural life. Its beginnings were inspired by energetic and idealistic agricultural officials, dedicated school teachers, and others committed to ensuring that young rural Canadians learned important skills to succeed on and off the farm.

Today's programs continue to serve primarily rural communities but they do not have to live on a farm to join. Open to all youths, male and female between the ages of 8 and 21, 4-H focuses on developing well rounded responsible and independent citizens.

Members participate in technical skills development projects as well as other fun activities. There are 2,600 4-H clubs across Canada with over 35,000 members completing 53,000 projects yearly.

I congratulate 4-H members and their leaders throughout Canada for all the hard work they do and recognize the importance of their organization.

S. O. 31

•(1405)

[*Translation*]

STUDENT EMPLOYMENT

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, the report on the 2001 edition of the summer work student exchange program, an initiative which began in my riding of Brome—Missisquoi, has just been delivered to the Minister of Canadian Heritage.

This year over 1,000 young people from just about everywhere in Canada took part in this program, which often constitutes their first paying job along with an opportunity to learn a second language in an immersion setting and to learn about and appreciate the other culture while visiting another region of their country.

Thousands of young Canadians have taken part in the past six years. The program's success is in large part due to the involvement of over 100 MPs from all political parties, and I congratulate them.

I would also like to thank the program's president, Jocelyn Beaudoin, and director general, René Lemaire, and all the team for their excellent work.

Let us continue to work together to ensure that thousands more students are able to experience the marvellous challenge of the summer work student exchange program.

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[*English*]

CRAIG OLIVER

Mr. Tony Tirabassi (Niagara Centre, Lib.): Mr. Speaker, I take this occasion to congratulate Mr. Craig Oliver for receiving the 2001 CAB gold ribbon award for broadcast excellence. Mr. Oliver was recognized last night in Ottawa at the annual convention of the Canadian Association of Broadcasters.

The gold ribbon award for broadcast excellence is the most prestigious award of the Canadian private broadcasting industry. It honours the service to private broadcasting and recognizes exceptional human qualities and practical, innovative achievements that reflect a genuine concern for the highest broadcast standards.

Mr. Oliver has been and continues to be an important part of the Canadian broadcasting system with more than four decades of broadcasting to his credit. He is a dedicated political journalist and analyst who viewers across the country have come to know and respect.

Mr. Oliver has received a number of industry awards and accolades over the years. He has also held several key roles in the broadcasting industry.

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ABORIGINAL AFFAIRS

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, the government has abandoned four major Canadian churches and left some of them facing bankruptcy as a result of the announcement of the Deputy Prime Minister that the federal government would pay 70% of the out of court settlements reached with former Indian residential school students.

Why has the government turned its back on the Anglican, United, Presbyterian and Catholic churches of Canada in this desperate attempt to settle these lawsuits? Why is the government extending the damage it caused to aboriginal children to Canadian churches that cannot afford to pay these bills?

The federal government forced aboriginal children to go to residential schools for over a century. It delayed the settlement of the Indian residential school claims for many years forcing these people to go to court. Then the government further delayed the court cases by dragging the churches into the lawsuits.

The government does not care about the damage it will cause Canadian churches. The government does not care about the aboriginal victims who will be unable to receive damages from these churches when they are forced into bankruptcy.

Why will it not do the right thing as Grand Chief Matthew Coon Come has suggested: assume 100% liability, pay the damages and leave the churches alone?

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[*Translation*]

ECOLOGICAL RESERVES

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, yesterday I attended a ceremony marking the opening of a conservation project and the creation of the ecological reserve of Trois-Monts de Coleraine at St-Joseph de Coleraine. This is a region of unequalled natural resources containing numerous rare and endangered plant species.

The purpose of the ceremony was to call attention to the sustained efforts over the past two years of partners in the private and public sector, who worked together in solidarity to ensure the preservation of the largest natural vestiges of Appalachian serpentine outcroppings, the home of numerous rare plants.

I had the pleasure and honour of announcing a federal contribution of \$100,000 via the Department of the Environment and its endangered species stewardship program.

Needless to say, the federal government is proud to have been able to help the community of Coleraine with this project.

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UNICEF DAY

Mr. Antoine Dubé (Lévis-et-Chutes-de la Chaudière, BQ): Mr. Speaker, through the eyes of a child we see the beauty of the world. Unfortunately, at the moment the eyes of children reveal the misery and suffering they are growing up in.

In order to fight this sad state of affairs, people are putting their heart and soul into coming to their aid. This is what UNICEF does. Founded in 1946 and now established in 162 countries, areas and territories, the organization is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential.

On this UNICEF Day, and especially on Halloween when thousands of children come by with their collection box, we invite everyone to pay tribute to all the children of the world by giving generously to support the efforts of UNICEF.

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• (1410)

GILLES CUERRIER

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, a teenager's activities can affect the rest of his life.

The proof is Gilles Cuerrier, a resident of Laval West, who joined the cadets in 1957 and has gone on to become the national president of the Air Cadet League of Canada.

The fifth Quebecer and the first resident of Laval to hold high office in the league, Mr. Cuerrier has set himself the task of making the air cadet movement known to more young people.

It is thanks to people like Gilles Cuerrier that young people have the opportunity to take part in group activities and to enjoy themselves in a setting that allows them to learn and to develop their talents.

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EDUCATION

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the Action démocratique du Québec has recently endorsed the concept of education vouchers for Quebec's education system. The purpose of this initiative is to give parents more freedom of choice. Parents would receive an education voucher that they could remit to the public or private school of their choice to defray the tuition costs.

Rather than promoting an education system that levels down, ADQ members have dared to think outside the box and have come up with an original idea that will democratize and diversify our schools.

I would like to commend the ADQ and its leader, Mario Dumont, for their efforts to improve the quality of teaching through an education system where it is the parents and students who decide.

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PERSONS WITH DISABILITIES

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, on September 15 the Fondation Entre Deux Roues and the Association des bénévoles en fauteuil roulant de l'Outaouais held their third Roulethon with Mr. Martin Godcher serving as honorary chair.

The purpose of this annual event is to raise funds for the Association des bénévoles en fauteuil roulant de l'Outaouais and the Fondation Entre Deux Roues and to raise awareness regarding persons in wheelchairs who are often forgotten and marginalized.

I would like to highlight the efforts made by these organizations and the relentless work they do to improve the quality of life of those they serve.

I would also like to congratulate Mr. René Séguin, the chief organizer of the third annual Roulethon, and his entire team on the

S. O. 31

great success of their September 15 event which raised \$12,162. I wish them all the best in their future endeavours.

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[*English*]

DICK MARTIN

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, earlier today we received the sad news of the untimely death of Dick Martin, one of the best loved labour leaders in the country.

Dick was a former secretary treasurer of the Canadian Labour Congress, a former president of the Manitoba Federation of Labour, a lifelong New Democrat and a true friend to working people in the country and around the world. Sometimes referred to as a diamond in the rough, he rose through the ranks from his days as a miner and a member of the United Steelworkers of America to become president of local 6166 in Thompson, Manitoba. He then became president of the Manitoba Federation of Labour before becoming executive vice president of the CLC in 1984.

On behalf of my colleagues and on behalf of my party, I want to extend our deepest condolences to his wife Cathy, his family Margaret, Ross and Jack, and to his countless friends in the trade union movement and in the health, safety and environmental communities.

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[*Translation*]

TOWN OF MOUNT ROYAL

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, we were shocked to learn earlier today that the town of Mount Royal shut the doors of the fence that runs along Acadie Boulevard to prevent underprivileged children from the Parc-Extension area from going trick or treating on its territory.

This means that children from low income families will not be able to knock on doors of the homes of the wealthy in Mount Royal. This is unacceptable. Halloween is an important event for all children, rich or poor, regardless of their social standing.

I hope to see children who for weeks have been anxiously waiting for this event walk around freely, without fear and, above all, without borders.

As chair of our caucus and on behalf of my Bloc Québécois colleagues, I deplore this unfair measure for the children of underprivileged families. I urge the hon. member for Mount Royal to condemn this situation since he is always claiming to be a strong advocate of rights and freedoms.

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• (1415)

UNICEF

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Speaker, today, October 31, is national UNICEF Day. On this occasion the United Nations Children's Fund is taking part in Halloween.

Oral Questions

Since 1955, children have been collecting pennies for the poor. So far, over \$75 million have been collected.

[English]

Last year Canadian children collected more than \$3 million. This money makes it possible to improve the living conditions of children in more than 150 developing countries. It goes to protecting children from exploitation and provides them with an education, vaccines and safe drinking water.

Tonight is Halloween. When a princess or a wizard, a ladybug or an astronaut knocks on the door and holds out an orange and black piggy bank, be generous.

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NATIONAL SECURITY

Mr. Norman Doyle (St. John's East, PC/DR): Speaker, the security of Canada's borders continues to be of great concern to all of us. We have greatly increased our security at airports and at our border crossing sites with the United States of America. However Canada is a country with a long coastline and many harbours. Government needs to be vigilant of the dangers presented by lax security in this important area.

For example, the oil refinery at Come by Chance, Newfoundland receives oil deliveries by tankers from all over the world. Ships crews are free to come and go while the oil is being off loaded. It is therefore difficult to understand why the local Canada customs office serving the area has been de-staffed. There is nobody minding the ship.

Surely this is a glaring gap in our security perimeter and government would do well to plug such gaps immediately.

ORAL QUESTION PERIOD

[English]

NATIONAL SECURITY

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, for weeks we have asked the solicitor general for information related to people arrested and possible terrorist activity in Canada and in the United States. We have asked this to protect Canadian citizens. For weeks the solicitor general has scorned us and has said that he cannot talk publicly about this because it could put people at risk.

Yesterday, in front of the entire world, he announced that CSIS has given important information to the United States. There is no problem with it giving the U.S. information, but he announced an ongoing operation publicly.

Does the Prime Minister think it is appropriate for the solicitor general to be standing out in public giving public information about ongoing CSIS operations?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the solicitor general just said that there is good collaboration between Canada and the United States.

The opposition is always dumping on the federal institutions of Canada rather than supporting Canadian institutions. The solicitor general wanted to prove that the Americans appreciate the good work of the Canadian public service.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, we have never asked that the solicitor general to reveal ongoing CSIS operations.

We have a situation now and the reports are clear: Canada and Afghanistan playing a part in Monday's warning of new terrorist attack; RCMP seeking al-Qaeda operatives in Toronto; and now the solicitor general talking about ongoing CSIS operations in public.

Can the Prime Minister really stand and say Canada is not at all being threatened by this ongoing giving of information and implication? Are we not at threat at all?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am happy to repeat that the warning given by the attorney general of the United States the day before yesterday was based on the information he had. The CSIS organization was able to provide him with very useful information.

What the solicitor general said was that we were helpful. At the same time, CSIS and the RCMP have informed the government that this threat was of no relation to Canada at all. Canadians were not under a special threat the day before yesterday.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I would like to hear if CSIS operatives think it is a good idea for that kind of discussion to go on.

Now we have U.S. senators Ted Kennedy and Sam Brownback introducing the enhanced borders security act that calls on the United States, Canada and Mexico to set up a North American national security perimeter. The bill would also impose entry and exit controls on every Canadian entering or leaving the United States. This is not exactly a confidence builder to business. Our dollar is sitting at an all time low today.

Will the Prime Minister commit to a signal of confidence—

• (1420)

The Speaker: The right hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we said from the beginning that Canada will offer security. It is our preoccupation in Canada to make sure that our borders are well protected and that terrorists are not using Canada as a place to move.

We are changing our laws. Some laws are in front of the House of Commons and the Senate at this time. We have legislated on the Immigration Act. We will have more power to make sure that our borders are secure, and we will be in a position to tell Americans that they do not have to worry about Canada.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, we have been asking about past arrests and information that may affect the security of Canadians. Repeatedly the solicitor general has hid behind his briefing books and a series of canned answers. Now in his drive for headlines, he may have divulged top secret information.

Oral Questions

The former solicitor general was fired because of a slip of the lip during a private conversation. Now we have a solicitor general publicly broadcasting confidential information.

How can the solicitor general possibly justify his decision to brag about Canada's role in an ongoing investigation?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, like my hon. colleague has said, I will not give any information that is specific to an investigation. I have not and will not give such information.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, that is a lot different response than what we heard when he was parading around like a puffed up peacock in front of the scrum yesterday.

It was wrong for this solicitor general to brag about this operation. It was wrong for this solicitor general to compromise the source and methods of our intelligence gathering efforts. According to a high ranking CSIS official, revealing such top secret information is clearly a breach of national security.

Does the Prime Minister support his solicitor general divulging top secret information?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we on this side support the solicitor general because he is doing a good job. When I hear members of the opposition claiming that the solicitor general tried to get publicity for himself, it is a funny affirmation.

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[Translation]

TERRORISM

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the fight against terrorism requires that there be a military response but not that any old weapon be used.

Understandably, Canada cannot be consulted daily on tactics but it is unacceptable for Canada to say nothing when cluster bombs, which are similar to anti-personnel mines, are dropped on Afghanistan.

Will the Prime Minister admit that saying nothing is consenting to the use of cluster bombs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is quite simply impossible to compare anti-personnel mines to these bombs.

Anti-personnel mines remain in the ground for 10, 20 or 30 years after a war ends, while the bombs being used—obviously, in all sincerity, I would prefer that no bombs ever be used.

On September 11 the terrorists did not give any thought to what would happen to American citizens in New York and Washington.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am surprised at the Prime Minister's answer.

These cluster bombs are similar to anti-personnel mines and there is a treaty about their use, the Ottawa treaty, of which Canada is quite rightly proud. We cannot go along with the use of such bombs.

The Prime Minister reminds us of what they did in New York. Are we going to start behaving like them? Are we going to take a page from their book, when our greatest strength is our difference, which is all about democracy against barbarity? That is the choice we must make.

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is why this government took the lead in working to bring about a treaty on anti-personnel mines. We did our job and we were very successful at it.

There is a war on right now and these bombs are not illegal under international treaties. We have no reason and no way to protest at this time because those bombs are part of the arsenal of war.

These bombs will not remain in the ground when the war is over.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, each one of these cluster bombs contains about 200 smaller bombs which, when they do not explode, become extremely dangerous anti-personnel mines.

Worse still, we learned that unexploded bombs look so much like the food packages dropped by the UN—they are both yellow and their format is similar—that the United States are sending a message, supposedly to warn the population.

Will the Prime Minister exert pressure on the U.S. government to adopt war techniques that spare civilians?

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, those cluster bombs are only being used in connection with the destruction of the military capability of the Taliban. They are being used in areas where there are tanks, artillery and military formations.

Canada has been a leader in terms of clearing up unexploded ordnance after any kind of military campaign. We would want to make sure those are cleaned up after, but they are a legitimate use if used in a military fashion against military targets, not against civilians, and that is exactly what is happening, use only against military targets.

[Translation]

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, the chair of the European parliament described the use of such bombs in Afghanistan as a human error and a political mistake.

These civilian casualties, including the victims of cluster bombs, fuel skepticism, both here and elsewhere, regarding the bombings. Public opinion everywhere is shifting, and this threatens the cohesion of the anti-terrorism coalition. We remain supportive of this coalition and we want it to be strong.

Will the Prime Minister, whose government has worked to ban anti-personnel landmines, question the use of these bombs?

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, they are not being directed at civilians. It is unfortunate that in a military campaign sometimes civilians are injured or killed but that is not the intention here at all.

Oral Questions

Every effort is being made to maintain that any use of cluster bombs or any kind of weaponry at all is directed at deteriorating the military capability of the Taliban, al-Qaeda and Osama bin Laden.

After all, those are the people who are responsible for the terrorist attacks that occurred in the United States. Those are the people responsible for the deaths of over 5,000 innocent men, women and children. We cannot give them rest. They in fact must continue to be pursued and that is the objective of the campaign.

[Translation]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, today there are media reports that Osama bin Laden was apparently in the American hospital at Dubai last summer. A CIA member reportedly even met him.

Given the attacks on U.S. embassies and on the *USS Cole*, is the Prime Minister concerned that the American government appears to have let bin Laden go rather than trying him?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, clearly, had the Americans had the opportunity to get their hands on bin Laden last July, they would have done so.

I see no problem there. If they did not, it was a dumb mistake on their part.

[English]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I think the question that remains is: Why did they not? Maybe I could direct my supplementary question to the solicitor general. He was more than willing yesterday to share information on security matters and maybe he will take some credit on this one too.

What information has the United States shared with Canada on the whereabouts of bin Laden on July 4 of this past summer?

• (1430)

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, my hon. colleague is well aware that it would be totally inappropriate for me to respond to that question. I will not divulge any such information.

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NATIONAL SECURITY

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, two weeks ago the minister responsible for critical infrastructure told us that his list of Canadian infrastructure that could be a terrorist target could be, and I quote him, "happening soon".

Yesterday the attorney general of the United States warned of a potential new attack this week on American interests. In the context of these new threats, is the list of potential Canadian targets ready yet? Have all the provinces and territories concerned been informed? Has training begun for the frontline workers in these potential targets?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, there is a list of over 300 critical infrastructure facilities in this country. It is presently the subject of a discussion with provincial emergency preparedness organizations and with local responders as well.

In fact, through Emergency Preparedness Canada, which was the predecessor organization of the Office of Critical Infrastructure Protection and Emergency Preparedness, we had built up a very considerable base of information and training involved in helping to prepare people to deal with disasters. We have dealt with natural disasters in the past and can deal with man made disasters as well.

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NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, last March the Minister of National Defence confirmed that there was a pressing need to increase the number of men and women in our armed forces reserve. The minister then confirmed that the pay formula for reservists was, and I quote, "a locked in formula" at 85% of the regular forces pay rate.

Yet we now know that the minister has approved a 15% pay cut for some of our reservists and they were informed of it yesterday.

How can the minister possibly justify these cuts at time when we must recruit more reservists and when their help is needed more now than ever?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, there is no approved pay reduction at all.

Let me tell the House that the 21,000 reservists over the last three years have had very substantial pay increases, as have those in the regular force. There is a proposal that will involve some readjustment, some realignment. Some will get a reduction. Even more than that will get an increase.

Overall the entire reserve force of some 21,000 is receiving increases. Reservists will also receive better training and better equipment and they will play a very meaningful role in terms of the Canadian forces of the country.

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TERRORISM

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, Canadians expect some information from the Liberal government on terrorism. Accurate, reliable information would reassure us all, in regular briefings on issues of importance, non-classified information of importance.

When will the Prime Minister start giving regular briefings to the Canadian public on terrorism information, the information that they deserve?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am in the House every week. The ministers are in the House all the time. They appear in front of committees. The members of the opposition can ask all the questions they want.

We are replying. We give all the information we have. It is why we said yesterday that the threat was not directed against Canada. We said that in the House of Commons through public television. It is the way that we operate and it is the way to give information to the Canadian public.

Oral Questions

Mr. Grant Hill (Macleod, Canadian Alliance): What a contrast, Mr. Speaker. In the U.S. there are regular briefings. In fact the U.S. public was told that there was an imminent threat and to be cautious, to be careful.

Today we see CF-18s flying over Ottawa, so maybe this is the only opportunity for the Prime Minister to do this. Will he give us a briefing now on just exactly what that means? He should do it outside.

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the CF-18s, indeed, the entire Canadian forces, are here to protect the safety and security of Canadians. The CF-18s have been redeployed from their usual places in Cold Lake, Alberta and Bagotville, Quebec to other parts of the country as well so that we can ensure, in fact, that we have protection of the entire country. This is a precautionary measure. They do exercises as part of that precautionary measure. There is no immediate threat to the country, but as low as that possibility is, we must take precautions. We can never take it for granted.

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• (1435)

[*Translation*]

FINANCE

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, if the economy were to keep growing at the same rate as it did in the first five months of the year, the surplus would be close to \$20 billion.

Given the downturn, which cannot fail to have an impact on the economy, we are heading toward a surplus that will likely come in around \$13 billion.

If our figures do not add up, then the Minister of Finance should tell us why, but in the meantime, will he finally stop trying to duck the issue, answer our questions and confirm the figures that we have submitted to him?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is not one economist in the country who will agree with the projections that the member just made.

I just said, and I have said repeatedly in the House, that there was a downturn prior to September 11. The terrible consequences of September 11 will most certainly be felt by the end of the year.

That being said, there will be a debate on the budget tomorrow. If the member would like to explain how she arrived at those figures she is free to do so.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, despite what the finance minister has said, I find it hard to believe that he does not have any figures to give us.

If the minister cannot give us any figures, could he at least identify the assumptions on which he has based his work?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, one of the reasons we are bringing down a budget is certainly to give projections and provide full details, which is what I intend to do.

[*English*]

LUMBER INDUSTRY

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the U.S. lumber lobby has been harassing the Canadian forest industry for 20 years using U.S. department of commerce trade actions.

We had a 19.3% countervail tariff applied in August and now a 12.6% anti-dumping duty has been tacked on top.

More discussions are scheduled for November 12 in Washington. Will the minister now finally call a national stakeholders meeting to get the Canadian forest sector together prior to November 12?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I absolutely share the opposition member's frustration with American behaviour in the softwood lumber dispute. This is a file that is extremely complex, one in which the Americans have shown a lot of aggressiveness. They have listened far too narrowly up to now to the American protectionist producers.

I do very much believe that our narrow consultations with industry and our work in collaboration with the provinces will bear fruit. With our two track approach, one of litigation and one of discussions, I think we are going places.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, that is not an answer. The 19.3% countervail expires on December 16 and the anti-dumping fees imposed today will be refundable if companies respond.

The minister is continuing to encourage negotiations with a format lending itself to predictable divide and conquer strategies employed by the U.S. department of commerce.

The minister has no mandate to do this. Will he display leadership, call the national stakeholders meeting and reinvigorate the Canadian position?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I can tell you that the Canadian position is very strong and very clear, much shared by the stakeholders in the industry and much shared by the provincial governments that have contributed a great deal to the discussion track we are on.

We have agreed that we would not embark into negotiations without having another stakeholders meeting. We are not negotiating. It is absolutely wrong to say that provinces are negotiating individual deals. The department of international trade and the government are co-ordinating and leading these talks, but 90% of the U.S. allegations are on provincial programs and there is—

The Speaker: The hon. member for Joliette.

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, in the continuing saga of softwood lumber, the Americans unilaterally imposed countervailing duties of 19.3% last spring.

Today the U.S. department of commerce added anti-dumping duties of 12.58% for a total of over 32% penalty duties.

Oral Questions

Now that we know the Americans' response and that thousand of jobs are at stake, what does the Minister for International Trade intend to do to help the industry and its workers?

• (1440)

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, as the hon. member knows, we in the government are extremely frustrated that the American administration has paid too much attention to protectionist producers and penalized itself and its economy once again, when it is much more vulnerable, by imposing taxes of 32% on consumers in a sector of the economy that is still vigorous. The member for Joliette is absolutely right.

Our government will continue to co-ordinate discussions and we would greatly appreciate the co-operation of the provinces which have jurisdiction over natural resources. I would say one thing—

The Speaker: The hon. member for Joliette.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, contrary to what the Minister for International Trade has said, the representatives of the softwood lumber industry are furious because they have been left out and there has been no meeting of all the stakeholders since May.

Why is the minister not calling a meeting of the stakeholders, especially industry members, and assuming leadership in the matter of softwood lumber.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we are in constant contact with the industry and have vigorously represented the interests of the Canadian industry in each of our actions.

The timeframe we are working with accurately reflects industry demands.

I would suggest the opposition member consult the industry and not simply listen to a single producer.

We will have the meeting at the appropriate time based on our present discussions and dialogue which are proving productive.

* * *

[English]

ANTI-TERRORISM LEGISLATION

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, despite the attempt of the Prime Minister to stop the Liberals from speaking out, the Minister of Fisheries and Oceans and the Minister of State for Multiculturalism now have expressed their concerns over the targeting of minorities by the anti-terrorist legislation introduced by the Minister of Justice.

Will the minister advise the House why her legislation targets religious, political and ideological groups?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I made the claim yesterday, the legislation does not target religious, political or ideological groups. The legislation targets terrorist activities and terrorist organizations.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I would ask the minister to read her own legislation and read the definition.

Although our American allies have taken strong measures against the fight against terrorism, they did not consider it necessary to target minorities in their anti-terrorist legislation.

Why should the House agree to jeopardize the civil liberties of Canadians when the minister cannot explain why she wishes to do that?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the legislation does not target minorities. In fact, as I have said, the legislation targets terrorist activities, terrorist organizations and those who would support them.

* * *

[Translation]

PYRITE

Ms. Yolande Thibeault (Saint-Lambert, Lib.): Mr. Speaker, on behalf of myself and the hon. member for Brossard—Laprairie, I want to ask the minister responsible for the Canada Mortgage and Housing Corporation to inform this House on the progress of the negotiations with the province of Quebec regarding the assistance to be provided to homeowners whose property was damaged by pyrite.

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am pleased to announce that an agreement was reached with the Government of Quebec. The government of Canada will make a financial contribution equivalent to 25% of the total cost of Quebec's program to provide financial assistance to the owners of residential buildings damaged, up to an amount of \$17.5 million.

The Government of Canada and the government of Quebec are pleased with this agreement.

* * *

• (1445)

[English]

SOLICITOR GENERAL

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Prime Minister and it has to do with the behaviour of the solicitor general yesterday who, as a maritimer, should perhaps be more familiar with the phrase about loose lips sinking ships.

Is the Prime Minister not the least bit concerned that the disclosing of the passing on of information so soon after the passing on of that information could jeopardize operations or compromise security? Would he at least assure the House that the solicitor general will not be announcing on a weekly basis what kind of tips they recently gave to the United States that were publicized in the United States?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, what I indicated yesterday is what I have indicated many times in the House, which is that CSIS shares information with its American counterparts and will continue to do so.

*Oral Questions***LUMBER INDUSTRY**

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the U.S. government's new tariff on softwood lumber brings the total tariff to over 31%. Now it looks like the B.C. government is about to crack under pressure and cave in to U.S. demands to get the tariff removed.

If one province cuts a side deal with the U.S. it will undermine all provinces. Lumber industry groups, including the B.C. Lumber Council, are calling on all levels of government to stand firm and work toward a long term national solution for Canada.

Does the government agree with the industry that all provinces should stand together in forming united fronts against the U.S. attacks? If so, how will it keep a rogue provincial government like the B.C. Liberals from selling out—

The Speaker: The hon. Minister for International Trade.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I absolutely agree with the member from the NDP that what we need is a Canadian approach to this. We have been working very hard at building a Canadian team. We have had the governments of British Columbia, Quebec, Alberta and Ontario working together. We have seen our industries more united than ever on the softwood lumber deal. We will not accept an individual deal by any province. We have already warned them about that.

The department of international trade is providing the leadership and the co-ordination at these discussions and we are going places with these talks.

* * *

ANTI-TERRORISM LEGISLATION

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, recent public comments from certain cabinet ministers showed a real concern for possible civil liberty infringements found in Bill C-36. There is reason to fear that excessive party discipline may stifle contrary opinions from within the Liberal ranks.

In these uncertain and challenging times, Liberal members of parliament should be free to speak up without reprisals from the Prime Minister.

Will the Prime Minister commit today to allowing for free votes both in the House and in committee on this extremely important legislation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have a very solid coalition on this side of the House and we always have very lively debate in caucus. However when the decision is made by the party and the government, the people support both the party and the government.

* * *

THE ECONOMY

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, in 1990 the current finance minister said that he would “manage the decline of the Canadian dollar so that it settles at its true value of 78 cents U.S.” Since 1993, the finance minister has successfully managed the decline of the Canadian dollar to a record low today of 62.96 cents.

Is the finance minister's hidden agenda to try to manage the Canadian dollar right out of existence, to de-value it to a point where

he can justify accepting a North American common currency through dollarization? Is that why he is passing the buck on the Canadian dollar?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in 1990 what I condemned was the total discord between economic policy, fiscal policy and monetary policy. What we condemned on that side of the House when we were there was the incredibly high interest rates that were being imposed on Canadians as a result of the failure of the then Conservative government to engage in reasonable and acceptable economic policies. That is what I condemned. What I condemned was an 11.5% unemployment rate which is what was in existence then. What I condemned was the absolute failure of the then Conservative government.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, on May 14, 1991, when he was the leader of the opposition, the present Prime Minister asked Brian Mulroney a question. He asked:

Here is my question to the Prime Minister: Does he not think that time has come to abandon the current economic policies of high dollar—

Today we see where this thinking has led us, from the 87 cent dollar at that time to the new low of under 63 cents now.

Will the finance minister acknowledge that the government's misguided belief in some esoteric advantage in having a low dollar is wrong?

• (1450)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have only to ask the hon. member to read the answer just given by the Minister of Finance. At the time when the Tories were in power we had 11.5% unemployment, a \$42 billion deficit, 11.5% interest rates and we were bankrupt. We are in a much better position today than we were in those days.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, the Prime Minister has signalled many times that he believes a low dollar is good for the country, but the esteemed economist, Dr. Sherry Cooper, has said that the inexorable decline in the Canadian dollar is both a reflection of our relative decline in economic prosperity and productivity, as well as the cause of it.

My question is for the finance minister. Does he support the Prime Minister's position of the low dollar or good common economic sense?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I support the Prime Minister's position which is that we will bring down the national debt by \$35 billion, which is what we have done. I support the Prime Minister's position when he says that as a result of this there will be two and a half billion more dollars in the Canadian economy.

I support the fact that we have brought down unemployment rates. I support the Prime Minister's position in increasing productivity. I support the Prime Minister's position in giving the country hope for the future. That is what we have done and that is what we will continue to do.

Oral Questions

[Translation]

ST. HUBERT TECHNOBASE

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, in October 1997, the federal government launched an ambitious project to revitalize the St. Hubert military base, with an DND investment of \$1 million. This revitalization project was to generate in excess of 1,700 jobs.

Could the minister of National Revenue explain why the millions invested for development of the Technobase have resulted in very few real jobs out of the promised 1,700?

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 St. Hubert Military Base Corporation was created in 1997.

Its purpose was to rediversify ensure that an economic safety net was created to provide sustained employment in the region.

Two funds were set up, one of \$1 million, designed as a backup fund, and another of \$6 million for technological development.

I must point out that large numbers of jobs were generated by these funds, particularly the technological development assistance fund, which created or maintained 600 jobs in the region.

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, according to the April 30, 2001 financial report of the Technobase investment fund, most of the companies in which it had invested no longer exist, have gone bankrupt or simply never located at St. Hubert.

In light of such a disastrous performance, does the Secretary of State for the Economic Development Agency of Canada for the Regions of Quebec intend to demand a reckoning from the Technobase president, hon. Jacques Olivier, and its CEO, Clément Joly?

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 hon. member should be glad to have had the opportunity to have such a dynamic team which has enabled us to create employment in her riding.

As I said, there were two funds created, a backup fund with a guarantee in the form of risk capital or loan guarantee and a \$6 million fund for technological development.

As we speak, \$3.7 million of the \$6 million fund have been invested, have generated investments of over \$27 million and have created or maintained more than 600 jobs.

Moreover, I should point out that a study by an independent firm last year recommended that we carry on, and that is what we will do.

* * *

●(1455)

[English]

THE ECONOMY

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the finance minister just said that his legacy of a falling dollar, a record low for the Canadian dollar, a country that is heading

into recession and unemployment that is on the rise, that there is hope for the future. I think that is a poor legacy for the finance minister.

Why is the finance minister and the government refusing to take the action necessary to give investors the confidence that will be reflected in a stronger dollar?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there are two pieces of good news. One of them is that the fundamentals of the Canadian economy are very strong. That is why the debt repayments and the large tax cuts are so important. That is why our growth rates are higher than in the United States. That is why when we compare our economy to those of others in what is a very difficult period, Canada, unlike previous slowdowns, is coming through this very well.

The second piece of good news is that I would like welcome the hon. member back to the finance portfolio on his side.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, we would really like to see an intervention from the finance minister on behalf of the economy. Canadians are concerned. We are in a recession. Unemployment is on the rise. We cannot get goods and services across the border.

We had business people from across the country in Ottawa yesterday to form a coalition because they want to get the attention of the government. When will the government take action that will get the economy back on its feet again?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I simply would refer the hon. member to the kinds of economic policies that he used to recommend when he was not speaking from such a far back position.

What he advocated were tax cuts that any economist in the country would say would take us into deficit. What his party has advocated in the last three weeks are massive spending increases that would put us into deficit.

The fact is that the actions of his party belie the words he is expressing. If we had listened to that party our balance sheet would be in tatters and the country would be in terrible shape. As it is, our fundamentals are strong.

* * *

LUMBER INDUSTRY

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Mr. Speaker, my question is for the Minister for International Trade. Softwood lumber is a \$10 billion industry in Canada. In my riding of Tobique—Mactaquac there are 14 sawmills representing some 2,500 jobs and one in six jobs is dependent upon the softwood lumber industry.

Taking into consideration the decision of the U.S. department of commerce today to impose a further tariff of 12.58% on all Canadian softwood lumber heading into the U.S., what is the government doing to restore unencumbered access to U.S. markets?

Points of Order

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I thank the member for his interest in this very important issue. I do agree with him. I honestly think that the Americans are hitting themselves over the head with a two by four by imposing these taxes on our exports to the United States. They are harming their own economy at a time when it is very vulnerable.

I will continue to work very closely with the provinces and will consult widely with the industry. I will be meeting with Mr. Racicot whom President Bush has appointed to deal with this file some time next week. I will explain to him the damage they are doing to their own economy.

* * *

NATIONAL DEFENCE

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, the defence minister said recently that our men and women serving in the Canadian forces are stretched too thin and cannot meet any new demands. That was before the new commitments in the war against terrorism. Now we learn that there likely will be a spring offensive in Afghanistan.

How will the minister meet the requirements for the next rotation and subsequent rotations without endangering the safety and security of our serving men and women?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, at one time we had over 4,000 people mainly from the army in foreign operations. We are now down to about 2,000. The people we have recently sent into the Middle East in the fight against terrorism are largely navy personnel.

We have been able to balance to ensure the operational tempo is reasonable so we are not overstretching the limit. However we still have thousands more who are available in case they are needed in this country or needed in foreign missions.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, why the contradictory message? The minister said when we only had the other obligations that we could not meet our commitments, that it was stretching our men and women too thin.

The government's longstanding lack of commitment to our military is putting the safety and security of our men and women in jeopardy. That is the fact. It threatens to tear our military families apart and it threatens the security in Canada.

Due to the government's total neglect of our military the minister will either have to pull our troops out of the war against terrorism or put at risk the safety and security of our men and women serving in the forces. Which will it be?

● (1500)

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, that is absolute nonsense. That is not what I said. That is what he thinks he would like me to have said.

Let me give a couple of instances. When we had the ice storm here we had 4,000 personnel in overseas missions but we could still put 16,000 troops on the streets of this country to help Canadians citizens.

On the eve of the millennium when we were concerned about the millennium bug, we had 3,000 people overseas but we still had 25,000 troops, 11,000 reservists, ready to help their fellow Canadians.

* * *

[Translation]

AIRLINE INDUSTRY

Mr. Stéphan Tremblay (Lac-Saint-Jean—Saguenay, BQ): Mr. Speaker, the Minister of Transport has decided to limit his assistance to the major airlines providing service between large cities and to abandon regional carriers, such as Air Alma which provides service between Montreal and Alma, once again showing his prejudice against regional carriers.

Does the minister realize that by helping only the major airlines, he is giving their regional subsidiaries, such as Air Nova, an unfair competitive advantage over small regional carriers such as Air Alma?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, I do not think this would be the case. Our intention is merely to help the major carriers, which cover 95% of the market, and I think that if these companies are healthy, small carriers will be too.

* * *

[English]

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, today in the House I had occasion to ask a number of questions and to receive some answers. My concern is not with the direct answers that I received although the answers themselves were less than satisfactory. I am also concerned about some extraneous comments that were placed on the record afterward. I am very concerned and I think I am in order to stand to ensure that those remarks are withdrawn from the record.

In further response to the question that I had posed of the minister, asking her why the House should agree to jeopardize the civil liberties of religious and political groups in Canada when she could not explain why those provisions were in the legislation, she provided an answer and then later she stated words to the effect: since when did you guys care about civil liberties.

These words will appear in *Hansard* and they are unparliamentary. The record will demonstrate that I care very much about civil liberties and I know that the Canadian Alliance cares very much about civil liberties. It is not inconsistent to be concerned about security while all—

The Speaker: I am sorry but it does not sound like a good point of order to me. If the words complained of are the ones the hon. member has quoted, I am afraid I would like to hear his citation for saying these are unparliamentary. They strike me as not uncommon in debates in this place. It seems to me I may have heard them before from both sides of the House and did not rule them unparliamentary.

Routine Proceedings

I am not inclined to intervene in this case on anything that I have heard. I have great respect of course for the hon. member. I think we will consider the matter closed under the circumstances.

ROUTINE PROCEEDINGS

● (1505)

[Translation]

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, the government's response to the fifth report of the Standing Committee on Foreign Affairs and International Trade, entitled "Crossing the Atlantic: Expanding the Economic Relationship between Canada and Europe".

* * *

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to four petitions.

* * *

YUKON ACT

Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.) moved for leave to introduce Bill C-39, an act to replace the Yukon Act in order to modernize it and to implement certain provisions of the Yukon Northern Affairs Program Devolution Transfer Agreement, and to repeal and make amendments to other acts.

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

* * *

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Foreign Affairs and International Trade on the issue of the sugar industry.

This represents the third report of the subcommittee on international trade, trade disputes and investment.

FISHERIES AND OCEANS

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Fisheries and Oceans.

Pursuant to section 52 of the Oceans Act the committee has completed its review of the Oceans Act and we ask the government to respond within the prescribed timeframe.

ABORIGINAL AFFAIRS, NORTHERN DEVELOPMENT AND NATURAL RESOURCES

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

[Translation]

Pursuant to the order of reference of Thursday, September 27, 2001, your committee examined Bill C-33, an act respecting the water resources of Nunavut and the Nunavut Surface Rights Tribunal and to make consequential amendments to other acts, and has agreed to report it with amendments.

[English]

I wish to thank all committee members and support staff for their great work.

[Translation]

PUBLIC ACCOUNTS

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I have the honour of presenting, in both official languages, the ninth report of the Standing Committee on Public Accounts on chapter 34 of the Auditor General of Canada's report of December 2000, entitled "Other Audit Observations—Canada Customs and Revenue Agency and Human Resources Development Canada".

Pursuant to Standing Order 109 the committee asks the government to table a comprehensive response to this report.

[English]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 35th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Joint Committee on Scrutiny of Regulations, and I should like to move concurrence at this time.

(Motion agreed to)

* * *

● (1510)

BUSINESS OF THE HOUSE

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there has been consultation among House leaders and I think you would find unanimous consent for the following motion:

That, notwithstanding the order of September 26, 2001, the Standing Committee on Justice and Human Rights be instructed to report Bill C-15B no later than Thursday, December 6, 2001; and

That the House shall not sit on November 23, 2001, provided that, if any bill is reported from committee on November 22, 2001, the report stage of the said bill may be taken up on or after November 26, 2001 and notices of proposed amendments at the said report stage may be given at any time before 2 p.m. on November 23, 2001 and shall be duly printed in the *Order Paper and Notice Paper* for November 26, 2001; and

That, notwithstanding the calendar tabled by the Speaker pursuant to Standing Order 28(2)(b), the sitting weeks between the last Monday in January and the Monday following Easter Monday in 2002 shall be the weeks commencing January 28, February 4, February 18, February 25, March 11 and March 18.

(Motion agreed to)

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PETITIONS

GASOLINE ADDITIVES

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am honoured to present this petition on behalf of constituents living in Grand Bend and Forest in the riding of Lambton—Kent—Middlesex.

The petitioners call upon parliament to protect the health of seniors, children and the environment by banning the gas additive MMT. The use of MMT in gasoline results in significantly higher smog producing hydrocarbon emissions and enhances global warming.

THE MEDIA

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, this petition which is signed by many concerned constituents of mine urges media outlets and the CRTC to act together in taking the desires of parents into account and reducing the amount of sexual and violent content in the media.

GENETICALLY MODIFIED FOODS

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition on behalf of a number of signators who are concerned about foods that are genetically modified or contain genetically modified material.

HUMAN RIGHTS

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, I have two petitions I would like to present at this time. The first comes from many people throughout the province of Ontario who appeal to the House of Commons with respect to the human rights violations taking place in China.

The petitioners urge us to take immediate action to urge China to free Canadian Shenli Lin and all Falun Gong practitioners, and to stop the persecution and mass killing of Falun Gong practitioners.

• (1515)

TERRORISM

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, the second petition I have the pleasure of presenting comes from my own constituency. It is a result of the great tragedy that has befallen our world with the destruction of the World Trade Center in New York City and the destruction of a portion of the Pentagon.

They say Canadians are peace loving people. There is a considerable preamble which I do not have time to read. However the petitioners encourage parliament to reject senseless acts of retaliation as they would not repair the damage or bring back those who are lost. Massive retaliation would only perpetuate a violent barbaric cycle fuelled by hatred and ignorance.

The petitioners encourage us to explore peaceful means of assisting the United States and to explore ways we can prevent the harbouring of terrorists in our great country.

Routine Proceedings

HUMAN RIGHTS

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, I too have a petition to present to the House pursuant to Standing Order 36. The petition has just over 100 names and encourages the Canadian government to take immediate action to urge China to release Falun Gong practitioners who are being persecuted and to stop the persecution immediately.

It also urges the establishment of Canada's SOS rescue team to travel to China for an international investigation to help stop the persecution.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am proud to rise to present two quite different petitions which relate to the same topic. The petitions relate to end stage kidney disease. They have been developed in the Peterborough area by Ken Sharp, a person who has been on kidney dialysis his entire adult life.

The first petition deals with support for research regarding the bioartificial kidney. As we know, the bioartificial kidney is an experimental implant device which would greatly improve the situation of those who have end stage kidney disease.

The petitioners call on parliament to support the bioartificial kidney which would eventually eliminate the need for both dialysis and transplantation for those suffering from kidney disease.

My second petition, as I said, is related but is quite different. It concerns the Canadian Institutes of Health Research and its Institute of Nutrition, Metabolism and Diabetes which does wonderful work for kidney research.

Many of my constituents believe that work would be more effective if the name of the institute included the word kidney. They call on parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system. They ask that it be named the Institute of Kidney and Urinary Tract Diseases.

* * *

[Translation]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be so kind as to call Starred Question No. 71.

[Text]

*Question No. 71—**Mr. Guy St-Julien:**

From 1990 to 2000, for each year and for each province and territory: (a) what volume of gold was produced and what were the extraction costs; (b) what was the financial value of the gold produced; and (c) what quantity of the gold produced was sold by the Bank of Canada?

[Translation]

Mr. Geoff Regan: Mr. Speaker, if the answer to Question No. 71 could be made an order for return, the return would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Government Orders

(Return tabled)

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

Hon. David Collenette (Minister of Transport, Lib.) moved that Bill C-38, an act to amend the Air Canada Public Participation Act, be read the second time and referred to a committee.

He said: Mr. Speaker, it is a pleasure to rise to speak to Bill C-38 this afternoon to try to get the sense of the House on furthering the improvement of airlines in Canada. This is a very short bill and it has one purpose: to amend the Air Canada Public Participation Act to eliminate the 15% limit on ownership of voting shares in Air Canada by any one person. I hope there will be speedy passage of the bill.

As most people know because we have been engaged in the airline file for a number of years Air Canada took on Canadian Airlines a couple of years ago. Over the last couple of years it has done a remarkably good job of merging the two airlines together.

There have been problems, not all of them of Air Canada's making. Some had to do with bad weather in the summer of 2000. Others had to do with the increase in air traffic when the economy was doing well. There was also an inability to merge the workforces on time.

All these things came together to create a situation that combined with high fuel prices and a declining economy in the last year caused problems for Air Canada before the events of September 11. Air Canada had publicly stated its need to get its house in order to attain more equity before September 11. The events of September 11 have compounded the problem and there is no question that Air Canada, as other airlines, requires a new infusion of equity.

Because of the constraints parliament imposed when Air Canada was privatized, it was impossible for the normal kinds of investment to occur in Air Canada that occur in other public corporations in the

country. Investors who wanted a say in the direction of the company were stymied because of the legislation and the restriction on voting shares.

If we are asking the House to eliminate the limit on individual ownership it would be useful to give a bit of the history as to why the limit was imposed in the first place.

Air Canada was privatized in 1988 and 1989 under the enabling legislation which is before us and which would be amended by this bill. At the time the act contained a section that limited individual ownership of voting shares to 10%. The justification for the 10% limit was to ensure that voting shares would be as widely held as possible by Canadians.

Most people do not realize that the 10% limit was accompanied by a prohibition on association between persons who hold voting shares. This was designed to ensure these persons could not act together and take control thereby nullifying the concept of a widely held company. At the time no one thought much about that and the bill was passed. The 10% restriction remained in place until the year 2000 when we raised it to 15% by way of Bill C-26.

Members may remember that leading up to that bill there was an initiative by the government in the fall of 1999 to find a private sector solution to the woes that were bedeviling Canadian airlines. As a result of actions we took we precipitated a private sector solution. Two offers were before Air Canada at the time. One was from Onex Corporation. The other was a proposal that originated with the management of Air Canada.

I will not go into all the details, but people know that Onex withdrew and subsequently Air Canada's management made good on its promise to take over Canadian Airlines subject to certain restrictions. At the time in December 1999 there were intense negotiations between the government and Air Canada because with the demise of Canadian Airlines there would be one large carrier with 82% of the capacity in the country.

● (1520)

As a result of those negotiations, Air Canada decided on certain guarantees with respect to no involuntary layoffs and service to small communities. It has made good on its promises. I emphasize that during those discussions at any time the Air Canada board of directors was free to walk away from that initiative. It made a conscientious business decision which it had to live with in good times and in bad.

Of course the times right now are not as good. That is why the original objection by Air Canada management to changing the 10% and having single shareholders potentially own the company has changed. It has publicly stated its willingness to agree to this kind of a change. It is in agreement with it. Therefore I cannot see any great controversy.

Government Orders

The decision to move to the 15% limit was one we felt was at least in keeping with other crown corporations such as Canadian National Railways. We cannot take that particular comparison too far because the ownership limits on former crown corporations have been tailored to the specific industry sector. CN and Petro-Canada for example have a 15% limit but no limits on non-residents. Nordion for example has no individual share ownership limits except for the 25% for non-residents. Major Canadian banks will allow 20% but there is a fitness test. What we are proposing for Air Canada is appropriate to the Canadian air services sector at this time in our history.

As I said there has been some degree of support for this from Air Canada. In coming to the decision to remove the limit, I have been told by a number of people that any limit in the past has been a disincentive to an investor with serious intentions when investing to have a say in the company. That is why we have decided to re-examine the entire operation and to ensure that there is an equity infusion into Air Canada.

We have been fully engaged with all of the airlines since September 11 to look at their finances and ascertain their financial health. Obviously they have been adversely affected, as have airlines around the world. What we see in Canada is not unique to us; it is something that is being played out elsewhere.

We know what the United States government has done in the aftermath of the terrorist attacks. It came forward with a \$15 billion package for the airlines, \$5 billion for immediate compensation, \$10 billion for loan guarantees. There was another \$3 billion included in the \$40 billion appropriations bill for reconstruction specifically for security measures. As I have said publicly, we are examining the efficacy of the Government of Canada taking on more of those security costs.

We have watched with some concern as airlines have faced difficulty. They have all reduced capacity and made many adjustments.

Just last week I announced a loan guarantee package for Canada 3000. That airline met certain objectives such as equity infusion by investors, reduction in capacity, the paring of workforces and most important, a business plan that would restore Canada 3000 to profitability.

What I said publicly last Thursday night is that kind of program will be available for the five principal airlines in the country that cover 95% of the market. I realize from questions in question period there are other smaller carriers that would like to avail themselves of a similar loan guarantee program, but they were covered in the initial compensation program. They were covered, as were all the airlines and airports, by our agreement to pick up the war risk liability for 90 days, the third party liability that was terminated by insurance companies which affected not only Canada's air industry but air industries around the world. We did this for the air carriers, the airports and Nav Canada. Everyone has benefited.

• (1525)

One has to draw the line somewhere in how far one goes in terms of loan guarantees. That is why we have said the five largest carriers that cover 95% of the market that are national in scope, they being

Air Canada, Air Transat, Canada 3000, WestJet and Sky Service, would be eligible for the loan guarantee initiative. I am not sure that all of them will require it.

There is no question that air traffic has come back to some degree in the last number of weeks. It is gradually coming back to approximate pre-September 11 levels. However, that is not the case certainly on transborder traffic where there is still a significant reduction as compared to the period prior to September 11.

In looking at Air Canada in particular, we have said that perhaps by eliminating the single ownership limit the company would become more attractive to investors. It would allow more of an infusion of equity. It certainly would facilitate with the overall restructuring of the company.

We come with the message that we are preoccupied with the health of the transportation sector in general, but in particular the airline industry. We have made a number of changes to security regulations and safety regulations on board aircraft with the locking of cockpit doors and the strengthening of cockpit doors. In fact last Friday after I boarded the plane and before it left the gate, I was asked by an Air Canada pilot to see the new measures that had been put in place. I was quite impressed with how quickly that had been done and it had been done with the co-operation of Transport Canada. This is being done not only here but in the U.S. and elsewhere around the world. We are facilitating extra security on planes with the new regulations.

I hear my friend from the Alliance who is preoccupied with Americana and wants the provision of armed security personnel to be blanketed on Canadian aircraft. We have said yes for those flights to Reagan national airport, specifically because the American government has said that is a condition for Air Canada to go back to that airport. I think everyone in the House understands that. Anyone who has flown into that airport knows its proximity to the downtown core. It is not just any downtown core; it has the seat of government of one of the largest nations, arguably the most powerful nation in the world. Obviously there have to be some extra security provisions. We have agreed to that because Air Canada is unique on the open skies treaty in being able to use that airport. We did not want to inhibit Air Canada in any way, so we have agreed that the RCMP, Canada's national police, will be on those flights. I have said that we would consider it elsewhere.

However, our preoccupation has been to ensure that airport security be made more stringent and that those rules be put in place quickly and be enforced. Yes, there is some inconsistency across the country, but we are getting to that. We are dealing with that through inspections.

I was on the CBC town hall meeting last night. The Leader of the Opposition was on the panel. I was very happy when he agreed that the security regime has improved and that lineups at airports are diminishing as people get through the new rules.

Government Orders

Of course the one disagreement, in terms of substance, was the question of whether the government should go along with armed security personnel. As I have said publicly, we have that under advisement.

We have done much to help the airline industry and the airports. There are new regulations, new security regulations. I have no doubt that the security regime at Canadian airports, in the skies generally, and in other parts of the world is much better than it was before. I thought it was good before September 11 but it is much more stringent now. Canadians should feel very comfortable in flying. Indeed gradually people are going back. Even business class passengers who stayed away in droves following September 11 are starting to travel again, even some of them to the United States.

Our decision to amend the Air Canada Public Participation Act at this time is to provide another kind of assistance to Canada's largest carrier in its attempts to return to financial stability.

• (1530)

Air Canada is the world's 11th largest airline. It is an airline of which we can be proud. It has not been easy for Air Canada in the last couple of years with some of the problems that it has undergone. However, the quality of the professionals that work at Air Canada both in the air and on the ground is unparalleled. The quality of service we get on Air Canada is among the best in the world. It has been adjudged as such by international bodies.

We have an airline of which we can be proud. It is an airline that is having some problems, but it is an airline which I think has the ability to get over those problems. It is incumbent upon us as politicians and upon the House in general to facilitate solutions, certainly private sector solutions, on the part of our airlines, particularly Air Canada.

I am confident that if we enact the bill it will provide the private sector greater opportunities for investing in Air Canada which will contribute to a successful restructuring of the company. With the enactment of the bill, Air Canada will find itself on the same footing as all of the other airlines. No one else has a single ownership limit. We are not at this time proposing to raise the 25% foreign ownership limit. We do not think that is necessary. We are being consistent with many other countries around the world, including the United States, which keep that 25% limit. They believe inherently that an industry so fundamental to the economy, the fibre and the being of the country should indeed not only be operated by Canadians but controlled in effect by Canadians. If we need to change that we would not need legislation because current legislation allows that change to occur, at least the raising of the limit from 25% to 49%, by order in council. However we do not think that would be necessary.

We believe that the passage of the bill would be timely. It would give Air Canada the investment. As I said before, it is a very simple bill. It has three sections. The first removes the 15% limit and the prohibition on association. The second renders as null and void any other corporate documents that address the 15% limit. The third deals with when the changes will come into force.

I would hope that my colleagues would agree that this is just another step in the government's response and parliament's response to the tragic events of September 11. But in particular, it is also a

response to the ongoing restructuring and realignment of the Canadian air industry which predated September 11. I hope that my colleagues would ensure speedy passage of the bill. Certainly at committee if there are any detailed questions members would like to ask, I am fully prepared to be there with my officials.

This is a bill that is in the national interests. It is certainly in the interests of airline passengers and all of those who believe that our national air carrier, Air Canada, should continue to be the great carrier that it is.

• (1535)

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Madam Speaker, it is my pleasure to stand in favour of Bill C-38, an act to amend the Air Canada Public Participation Act. This change is long overdue. It finally puts Air Canada on a level playing field with other Canadian air carriers with respect to the sale of its shares.

For the first time in Canadian history Canadians can buy, sell and trade as many Air Canada shares as they want, just as if they were shares of any other Canadian company. Bill C-38 represents a marked departure from the traditional thinking of Liberal governments.

Air Canada was created by an act of parliament in 1937 as Trans-Canada Airlines. It has been the subject of much discussion in the House since that time. For the first 40 years of the company's existence it was seen as an agent of the crown and as the federal government's principal policy instrument in the field of aviation.

That changed with the passage of the original Air Canada Act in 1977. For the first time Air Canada was required to borrow in its own name and was declared to be no longer an agent of the crown. It remained a crown corporation and cabinet retained the power to appoint its directors.

In 1987 the Progressive Conservative government passed the National Transportation Act. It fundamentally changed the rules of the game and attempted to introduce competition rather than regulation as the primary arbiter within Canada's domestic airline industry.

Within a year the Progressive Conservatives had correctly realized that in a competitive situation the government had no business owning one of the competitors, so the parliament of the day quickly passed the Air Canada Public Participation Act essentially privatizing Air Canada and turning it from a crown corporation into a regular company whose operations were subject to the Canada Business Corporations Act.

Paragraph 6(1)(a) of the Air Canada Public Participation Act limited the number of shares that could be owned by a single shareholder to 10%. This was done to ensure that Air Canada stocks would be broadly held by as many Canadians as possible. The section also put Air Canada on a level playing field with its principal domestic competitor, Canadian Airlines International.

Government Orders

Members must not forget that the Air Canada Public Participation Act was first read in the House on May 19, 1988. This was nearly five months after the January 1, 1988, birth of Canadian Airlines International from the fusion of all Air Canada's pre-1980 domestic competitors, Pacific Western Airlines, Transair, Nordair, Quebec Air, Eastern Provincial Airways and Canadian Pacific Airlines, into a single entity.

In 1988 Canadian Airlines parent company was governed by Alberta's Pacific western airlines act which set a 4% limit on the number shares any one group could control. In fact the 10% share limit set in the original Air Canada Public Participation Act was actually more liberal than the 4% limit set in the act governing Canadian Airlines.

Bill C-26 raised to 15% the number of shares that could be held in Air Canada following the takeover by Air Canada of Canadian Airlines in 2000. We are finally discussing whether to give Air Canada some of the same rights as other companies some 64 years after parliament first created a national airline.

If we were to believe government members, Bill C-38 would put Air Canada on a level playing field by striking down paragraph 6(1) (a) of the Air Canada Public Participation Act. Bill C-38 ostensibly puts Air Canada on that level playing field with all other airlines with respect to the way its shares can be bought, sold and traded by Canadian citizens. On that basis alone it should be supported, and the official opposition supports this legislation.

Bill C-38 does little to address the short term financial woes of Air Canada that led to thousands of layoffs at Air Canada, including the laying off today of 500 to 700 pilots. I will explain.

First, Air Canada does not obtain money when its shares are acquired by a new buyer unless Air Canada is the seller. Second, no single shareholder is currently restricted by the present 15% limit, that is no current shareholder owns 15% and has publicly expressed a desire to purchase more but cannot as a result of this section. Third, if people were not inclined to buy Air Canada stock before the legislation the fact that they can buy more of it is simply not an incentive.

There are only two ways that Bill C-38 would financially benefit Air Canada. First, some of the debt which the Caisse de dépôt et placement holds would have to be converted into shares. The caisse currently owns roughly 9% of Air Canada stock and converting its debt into shares would give the caisse roughly 18%.

First, this move, based on a \$2.50 price for shares at the date of the transport minister's announcement of his intention to introduce this legislation, would allow the company to convert roughly \$17.789 million worth of caisse debt into 9% of Air Canada voting shares. Second, an individual or group would have to take control of Air Canada with a clear plan to restructure the company. This would not be enough unless the restructuring plan were to meet the approval of the transport minister and be acceptable to Air Canada unions.

• (1540)

The bill is essentially political posturing. It lets the government claim to be addressing Air Canada's concerns while ignoring the company's plea for bigger and bolder policy moves such as the implementation of permanent new security regimes on the ground

that are not only better but faster and more streamlined, placing air marshals on planes, and putting the issue of airline industry restructuring before the Standing Committee on Transport and Government Operations for immediate consideration and redeliberation.

Bill C-38 requires us to examine the Air Canada Public Participation Act. While I am in favour of striking down paragraph 6(1)(a) of the act we should not stop there. We should ask ourselves a basic philosophical question. As we enter the third millennium should the government continue to regulate the internal affairs of a publicly traded corporation whose shares it no longer owns?

Why should paragraphs 6(1)(d) and (e) of the Air Canada Public Participation Act require Air Canada to maintain facilities and/or offices in certain cities? Surely these decisions are the responsibility of the company's shareholders and board of directors.

Why should section 10 of the Air Canada Public Participation Act make the Official Languages Act applicable to Air Canada and no other Canadian airline? If the Official Languages Act applies to Canada's airline industry it should do so in the Official Languages Act and not in the Air Canada Public Participation Act.

It hardly seems fair to hold Air Canada to a higher standard than Toronto based Canada 3000, Calgary based WestJet or Montreal based Air Transat.

Why should paragraphs 6(1)(b) and (c) of the Air Canada Public Participation Act restrict foreign share ownership in Air Canada when a more equitable regime would see similar limits placed on all Canadian carriers? Paragraphs 6(1)(b) and (c) of the Air Canada Public Participation Act are wholly unnecessary. The transportation minister should know that there is already a prohibition against foreigners owning more than 25% of a Canadian air carrier in the Canada Transportation Act. Section 55 of that act defines a Canadian carrier as:

A corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75% , or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by Canadians.

Section 56(3) of that act gives the Canadian Transportation Agency the power to review all mergers and acquisitions in the airline industry and determine whether such activities would affect an airline's status as being Canadian. Paragraph 61(a)(i) requires a carrier to be Canadian in order to have a licence to operate domestic air service.

Government Orders

Section 69 only allows two types of carriers to operate international air service: Canadian air carriers and non-Canadian air carriers which have been designated by a foreign government or an agent of a foreign government to operate an air service under the terms of an agreement or arrangement between that government and the Government of Canada.

Under the Canada Transportation Act, if WestJet, Canada 3000 and Air Transat were to allow foreigners to acquire more than 25% of their voting shares they would no longer be Canadian. They would lose both their ability to serve domestic routes within Canada as well as international routes between Canada and another country. In essence, they would lose the value of any potential buyer. This restriction is utterly redundant.

Given the restrictions against foreign ownership already present in the Canada Transportation Act, paragraphs 6(1)(b) and (c) of the Air Canada Public Participation Act are wholly unnecessary. Even if there were no prohibitions in the Canada Transportation Act, Air Canada's board of directors would undoubtedly take actions to ensure that control of the firm remained in Canadian hands because of the convention on international civil aviation, more commonly referred to as the Chicago convention. It sets out the basis of international commercial aviation.

Internationally scheduled commercial air traffic is made possible through bilateral agreements in which governments exchange air rights for the benefit of their respective carriers. Each country can designate a national carrier on any international route.

Air Canada and Air France fly between Montreal and Paris. Air Canada and Korean Air Lines fly between Vancouver and Seoul. Air Canada and Cubana Airlines fly between Canada and Cuba. Only in the most exceptional cases will we find an airline flying between two cities where neither is in the airline's home country.

• (1545)

In virtually every case where a foreign airline flies between two foreign destinations it is only as an extension of a flight that started in the airline's home base. Air Canada flies between Sao Paulo, Brazil, and Buenos Aires, Argentina, but only as part of a Toronto, Sao Paulo, Buenos Aires service and only with the approval of the governments of Canada, Brazil and Argentina.

If Americans or people of any other nationality were to acquire a majority of Air Canada's voting stock, foreign governments might refuse to recognize Air Canada as a Canadian company and thereby deny it the ability to continue serving routes in those countries even without the safeguards of the Canada Transportation Act. Thus, if United Airlines and Lufthansa were to buy 51% of Air Canada's voting stock, the British, French and Chinese governments would have the right to deny Air Canada permission to fly to London, Paris and Shanghai.

Air Canada as an airline would cease to hold value for the investors who just purchased it without the ability to serve international routes. For this reason alone its board of directors would never allow foreigners to own a majority of Air Canada's stock.

We only need to look at the arrangement that American Airlines had with Canadian Airlines in 1999. Passengers were flown from the

U.S. to Vancouver and then from Vancouver to Asia on Canadian Airlines jets. The reason for this was that American Airlines had only been granted routes to Japan from the U.S. and needed access to Hong Kong, China, Taiwan, Thailand and the Philippines. The Asian service provided by Canadian Airlines was based on bilateral agreements between Canada and the Asian countries concerned. American Airlines would have literally killed the goose that laid the golden egg had it taken control of Canadian Airlines.

I agree with repealing paragraph 6(1)(a) of the Air Canada Public Participation Act. The official opposition will support Bill C-38. However, having carefully examined the Air Canada Public Participation Act, we see no reason not to repeal the entire act itself.

It has at least four irrelevant sections. Section 4 deals with the transfer of shares to the Minister of Transport. Air Canada tells me these shares have since been sold. Section 5 deals with continuance. Presumably this has been achieved in the past 12 years since the act has been passed. Section 11 deals with the continued appointment of Air Canada directors past the privatization date. Presumably the terms of these directors have long since expired. Section 14 repeals the Air Canada Act. This section has also been spent.

The act also discriminates against Air Canada in four specific areas. Paragraph 6(1)(a) limits share ownership of an individual or group to 15%. Paragraphs 6(1)(d) and (e) make Air Canada maintain facilities and/or offices in defined cities. That is mandated by the government and is not a decision of the company. That is mandated against Air Canada and not levied against other businesses. This is a government regulation that retards the economy.

Paragraphs 6(1)(b) and (c) restrict foreign share ownership in Air Canada. Section 10 makes the Official Languages Act applicable only to Air Canada and not other carriers.

The transport minister says that because the head office is mandated to be in Montreal it somehow adds virtue to a discriminatory policy which handcuffs Air Canada but does not handcuff other carriers. He says that it is in the national interest. It is in the national interest if it is in Montreal but not if it is in Calgary or Vancouver. That is not in the national interest; Montreal is the national interest.

It is a rather perverted approach to public policy. Why does the government not just leave companies alone to compete on an equal and level playing field in the free market? It might try it once. It does wonders.

If the government is intent on putting Air Canada on a level playing field with its domestic competitors it can do this not only by removing the share limitation in paragraph 6(1)(a) of the act but by repealing the entire act itself. This is what the official opposition believes the government should do.

I intend to call witnesses before the standing committee to examine the practicalities of repealing the entire act and the best ways to put Air Canada on an equal footing with its domestic competitors while respecting the other priorities now contained in the act.

Government Orders

If the transport minister would like to come before the committee and tell us why Montreal is more a Canadian city than Calgary, Hamilton, Toronto or Edmonton, he is free to do so. I encourage him to do so. It would be the death of the government if he did that.

The legitimate policy aims which are contained in the act should apply equally to all Canadian carriers. Aviation law should apply to all Canadian carriers equally, not just to Air Canada.

The Air Canada Public Participation Act discriminates against Air Canada in ways that are utterly counterproductive and which retard the marketplace. Just because Air Canada is a corporation does not mean that the thousands of Air Canada employees should be held to a higher standard than their colleagues at other companies. Either we believe in fairness as a nation or we believe in double standards. The official opposition believes in fairness and competition. I hope the government's opinion of the air industry will one day be the same.

• (1550)

Since 1937 the federal government has regulated Air Canada mercilessly. It is time to throw off the shackles and let Air Canada be held to the same high standards and only the same high standards as every other Canadian carrier. It is time to repeal the Air Canada Public Participation Act and finally create the level playing field that people on both sides of the House keep saying they want.

I will be supporting Bill C-38, but I will also be introducing at committee amendments aimed at doing what Bill C-38 should be doing, which is putting Air Canada on a level playing field with its domestic competitors for the first time in its 64 year history; transport minister be damned.

The Acting Speaker (Ms. Bakopanos): I am sure the hon. member would like to correct the last part of his speech. Would he like to correct it?

An hon. member: No.

The Acting Speaker (Ms. Bakopanos): I think it would be much more prudent to withdraw?

Mr. James Moore: Yes, Madam Speaker, I withdraw.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Madam Speaker, today's debate on Bill C-38 is in connection with Air Canada's demands for a review of the ceiling on individual ownership of shares.

The Bloc Québécois will support Bill C-38.

Of greatest concern are the speeches by the Minister of Transport and the representative of the official opposition on the future of Air Canada and airlines in Canada.

Bill C-38, a simple bill with only three pages, repeals section 6 of the act. I will read it for the men and women of Quebec. The Air Canada employees watching us surely understand it. The act contained, and I quote:

6. (1) provisions imposing constraints on the issue, transfer and ownership, including joint ownership, of voting shares...to prevent any one person, together with the associates of that person, from holding, beneficially owning or controlling, directly or indirectly...voting shares to which are attached more than 15% of the votes that may ordinarily be cast to elect directors of the Corporation—

What the Minister of Transport is proposing in Bill C-38 seems thoroughly harmless. It would, however, allow a single shareholder to hold more than 15% of shares. It would be this shareholder other shareholders or entities who would hold the shares. They would thus have the right to take over control or to take part in the control of Air Canada's board of directors.

Is this desirable? It is what Air Canada is asking for. It is thought that investors could be interested. Citizens and companies across Canada will probably want to buy Air Canada shares, ensuring with colleagues, friends or related corporations that they have a certain degree of control over the board of directors so as to be able to play a greater role in the company's decisions, to perhaps be able to run it better and turn a profit. This would surely allow them to make some sort of return on their investment.

What this means is giving Canada's business community a free hand to control, to continue to control and to increasingly control this national company, Air Canada.

This is cause for concern, because the minister has told us quite candidly what our neighbours to the south have done. He has told us in all sincerity that the Americans provided massive assistance to the airline industry, over \$15 billion he tells us, and that was the figure. Five billion dollars in direct aid and \$10 billion in loan guarantees. A choice was made. In the wake of the sad events of September 11, the Americans decided to invest heavily. The minister was quite open about this. The Americans invested heavily, he told us, and that is so. The figure mentioned was \$15 billion to revive the airline industry.

Other countries in the world suffered, such as Switzerland's Swissair, which sought bankruptcy protection. Switzerland decided to invest heavily in a company called Crossair, a regional airline in Switzerland. This company will soon buy up Swissair's shares and revive the airline industry. Switzerland has made a choice. It decided to invest heavily in Crossair, which will soon take over the defunct Swissair. This is a choice as a society.

What is saddening to hear today is that Canada has decided to give the market free rein and not to make any massive investments to kick start the airline industry. Anything it does do is on a bit by bit basis. Canada's approach is a piecemeal one. At the outset, the minister announced investments to meet high insurance costs.

Government Orders

•(1555)

As a result of the sad events of September 11, the airlines were faced with astronomical hikes in insurance costs. Some carriers were no longer even able to insure themselves. The government therefore decided to compensate them for the astronomically high premiums they were being charged for insurance.

It then reimbursed expenses. Since the air space was totally closed down, all companies' equipment was grounded. The Government of Canada decided, still within its piecemeal approach, to announce one week later that it would offer compensation and assistance, reimbursing the airlines' losses that were the result of the six day closing of Canadian air space.

This assistance was in dribs and drabs. After that a loan guarantee program was announced, followed last week by another loan guarantee to Canada 3000 of \$74 million.

The minister refers to a business restructuring. He spoke of massive staff reductions. Once again the minister helped out Canada 3000 once it had restructured and, in particular, made massive staff cuts.

The minister has told us very candidly that the government can help the five major carriers in Canada, including Air Canada, Air Transat, WestJet and Canada 3000. He said very candidly "once they have restructured". Downsizing is an important part of the restructuring of any company.

This is a message to the employees of all these airlines in Canada and Quebec, saying "In the end, you are the ones who will pay for the September 11 events. We will help—as was the case with Canada 3000—once your company has restructured financially". And the minister adds "once your company has reduced its staff".

In order to get help from the federal government, airlines must absolutely restructure. They must submit a restructuring plan that includes staff reductions. This is very hard to accept for airline industry workers, because what happened on September 11 was not their fault. It is not their fault if their industry suffered such setbacks but they are the ones who are paying for this.

Again, this applies to four airlines at the exclusion of Air Canada. In the agreement and in the various acts, very important guarantees were demanded for Air Canada. Such guarantees were demanded by the Bloc Québécois, which questioned the government in debates on the various acts establishing Air Canada as we know it today, and by others. Why? To protect the rights of workers.

Air Canada is the largest airline, with 80% of Canada's air traffic. Therefore, it is important that it be afforded some protection. When Canadian was integrated with Air Canada, we made sure that workers would not lose. As the minister said, we made sure that small municipalities would be served. This has always been a requirement in the original legislation that is now being amended. These requirements have not changed. Protecting the rights of workers and serving small municipalities are still requirements under the acts that established Air Canada and French in the skies.

It is sad to hear speeches such as that of the Alliance member in a country where there are two founding peoples, anglophones and francophones. Members will understand why, with such speeches,

that sovereignty is not dead in Quebec. If we were to hear speeches like that of the Alliance member every day, I am sure sovereignty would take off for the pure and simple reason that francophone rights must be protected.

•(1600)

And the law provides for the protection of French in the air.

What is harder to accept is the fact that 136 complaints are before the commissioner of official languages. They were lodged against Air Canada because French is not respected in the air. This is the harsh reality.

It is hard to hear the representatives of the Canadian Alliance say, today, that it is time to stop protecting French in the air, a practice established by one of the two founding peoples, thanks to representations by the Bloc Québécois, among others. Air Canada is Canada's largest airline, carrying 82% of the volume.

Obviously we must carry on and make sure that the rights of travellers are protected. As regards service to small municipalities—I am using the minister's expression—it must be protected. That is what the minister said earlier.

There are no large or small municipalities. Canada was built from communities that diversified their approaches. Communities were established around natural resources. Cities—this is the term we should use and not small and large municipalities—were established across Canada.

No law makes a distinction between towns and cities in Quebec. They are cities. There are no large and small cities in the Quebec *Loi des cités et villes*. There are cities. Obviously, there are cities in the regions and there are cities near major urban centres, and the law must protect and continue to protect service to cities in the regions.

Canada owes its existence to its natural resources and continues to be very much a country of natural resources. The future is very important for all regions of Canada. Such is the diversity of Canada, what makes it great. We are one of the largest countries in the world in which the decision has been made to allow the market to operate freely.

That is where the problem lies. In such a vast country, a country of such diversity, the strength of which depends in large part on the natural resources located in distant regions, the government has a duty to intervene in order to ensure that transportation services are maintained, including the most rapid means of transportation, air service, so that regional cities are connected with the major urban centres.

That is why it was hard to swallow today the statement in the minister's speech saying that, with Bill C-36 which merged Air Canada and Canadian, we obtained and included protection for service to small municipalities.

Government Orders

I hope he will rethink his choice of words. Cities in the regions have as much right to air service as major urban centres. That is reality. Just as Canada's francophone air travellers have as much right to service in their own language as anglophones.

I am proud that the act which created Air Canada protects the use of French in the air. I hope the rumours that Air Canada wants to abandon Air Canada Regional precisely because the use of French in the air is a constraint on the expansion of all the businesses that make up Air Canada Regional, are not true.

Apparently they want to abandon these businesses, sell them or transfer a part of their routes. That is the current rumour. This is an attempt to improve the bottom line and to avoid having to respond to the 136 complaints received by the official languages commissioner against Air Canada regarding the use of French in the air.

It is difficult and it is a hard fight but we must continue to fight to protect the rights of workers under the statutes that created Air Canada as we know it today. We must continue to protect service to cities in the regions, and not small municipalities as the minister said, and protect the use of French in the air.

This bill only changes the percentage of individual or group participation in the share capital of Air Canada. It only amends this clause.

The Bloc Quebecois will support Bill C-38 for the simple reason that the rights of workers at Air Canada will still be protected, as will service to cities in the regions, and the use of French in the air.

We must continue to fight so that cities in the regions of Canada and Quebec are better served and that the use of French, the language of one of the two founding peoples of Canada, is better protected in the air.

• (1605)

This is a commitment which the Bloc Quebecois is determined to defend in the House.

It is sad to see the federal government deciding to put its faith in the free market in something as important throughout Canada as the airline industry. This is a position strongly backed by the Canadian Alliance, which would like to go much further. It would be a disaster for Canada's entire airline industry for the good and simple reason that this great country of Canada, and of Quebec, needs flights linking cities in the regions with major urban centres. They do not all have the same number of inhabitants and are so diversified that we must support them. In my view, the Government of Canada would do well to do as Switzerland or the United States have done and provide massive aid to the airline industry. It is a vital part of our economy.

Companies such as Bombardier were able to create markets in aeronautics because we in Canada were heavy users of air services. The entire aeronautics industry is supported by the airline industry and we must encourage this industry and its workers. They should not have to pay for what happened on September 11. They should not bear the brunt of industries' losses through the loss of their jobs. We are condemning entire families to poverty just because the government decided to give the market free rein.

I call on the minister to rethink his position on this issue. I call on the federal Liberal government to start looking at the larger picture and to send out a clear message. I hope the Minister of Finance will understand and that in his next budget he will announce heavy investments to support Canada's airline industry. As in the United States, Switzerland and other countries, this industry needs significant government support right now, until business picks up. We all hope that business picks up in the airline industry. Only time will tell.

Working on security is a good example. I support the Minister of Finance with respect to the Government of Canada's investments in security.

The problem is that we did not do enough before September 11. This is why we now have to invest so massively in security. We did not do it before. In 1987 the government decided to move the RCMP out of all Canadian airports. The RCMP was responsible for monitoring and supervising security at airports. It is not just the Liberal government that made this type of decision. That decision was made by the Conservative government and was supported by the current Liberal government. Why? For reasons of economy.

The government delegated to so-called non-profit organizations the responsibility of managing and administering some of the duties relating to security at airports.

Today we are seeing some of the results of that decision. There has not been much investment. Instead, cuts were made. The government tried to transfer the burden of security to airline companies which, over the past 20 years, have undergone major changes, including bankruptcies and the merging of Canadian Airlines International and Air Canada. Meanwhile, it was asking airlines to pay for security.

It did so by investing as little as possible. Since 1987 Transport Canada has been responsible for security at airports. This is a civilian agency which over the past 15 years has been much busier dealing with disputes about the costs to airline companies compared to the services provided by non-profit organizations set up by the Government of Canada to transfer its responsibility. They tried to make it as inexpensive as possible and now we can see the results.

• (1610)

Today we are being forced to make massive investments and the Liberal government is now afraid that it will not have enough money, for the simple reason that we do not know exactly how much the security bill will cost. In the meantime, we are not investing in the airline industry, we are saving our pennies to invest in security and protect passengers, users and all Canadian.

This is a choice we as a society made, and today the airline industry is paying the price. The federal Liberal government does not want to invest like the Americans have done. Once again, I thought the minister's statement was quite frank when he said that the Americans had provided massive support for the airline industry, \$5 billion in direct assistance, \$10 billion in loan guarantees; \$15 billion in all.

Government Orders

Switzerland made a choice, following Swissair's filing for protection under the bankruptcy act, when it decided to invest massively, with the purchase of 38% of the shares of Crossair, which will take over from Swissair in January. So, it is a societal choice.

In Canada, all that is being promised, all that is being offered to employees in the airline industry, which supports the aviation industry, airplane manufacturers, et cetera, is Bill C-38. The world's leading companies in aviation and aeronautics are here, there are manufacturers and companies that produce parts, and all that we can promise them today is Bill C-38.

We agree that individuals should be able to have more than a 15% control of shares if they want to. If this finally allowed a major investor to control Air Canada's board of directors and try to jump start the company and get it on track, this is a societal choice that the government of Canada has made.

We must think about the workers in the airline industry, in all the companies, and not just the five major ones. There are regional companies as well. This afternoon, Air Alma was mentioned. There is Air Inuit and all the other regional carriers, which were hit with the reduction in air traffic across Canada and around the world. They are not being helped by the measures the minister announced yesterday.

This afternoon in oral question period, the minister told us candidly that revitalizing the major companies was likely to give the smaller regional carriers a boost. This represents a choice not to support the regional companies, which are often family operations, and letting them go adrift. When they hit really hard times and are within inches of seeking bankruptcy protection the government might agree to guarantee loans for them, if things are really going bad.

No plan is in place to help the airline industry. They will deal with things piecemeal, day by day. They put out fires. That is how security was dealt with. When problems arise, they deal with them. Otherwise, they try to save as much as possible in security. This is the way they have operated since 1987.

They are making massive investments because there is a security problem but the passengers on the airlines are paying the cost in Canada. Today they have nothing more to sink their teeth into. They have a bill that will enable private investors to participate more in Air Canada in an attempt to revive it.

I hope and we will demand that the context in which today's Air Canada was established will be maintained. In other words, Canada and Quebec need a strong airline that respects travellers' rights, that serves the cities and the regions and that uses French in the air, for both founding peoples.

• (1615)

[*English*]

Mrs. Bev Desjarlais (Churchill, NDP): Madam Speaker, it is a pleasure for me to rise on behalf of the New Democratic Party at second reading of Bill C-38, an act to amend the Air Canada Public Participation Act.

It was not that long ago, in fact just about 18 months, that we last debated a bill to amend the Air Canada Public Participation Act. That was the last parliament's Bill C-26 which, among other things,

approved Air Canada's merger with Canadian Airlines. I think it is important that as we debate the bill before us today we remember this context. It has been about a year and a half since the government passed Bill C-26 to approve the merger of the two national airlines and I think it is now pretty safe to say it has been a disaster. The government completely dropped the ball with the merger.

One of the minister's stated objectives in Bill C-26 was to foster competition in the domestic market. He said so repeatedly in the House. What has happened? Eighteen months later we have even less competition than we had before. Royal Airlines and CanJet are no more. They have been swallowed up by Canada 3000. Two entire airlines are gone. So much for fostering competition.

The minister also said that Bill C-26 was supposed to prevent Air Canada from using predatory pricing to drive its competitors out of business. As we on the House of Commons transport committee have heard repeatedly over these months, this part of that bill has been a failure as well. The small airlines that are trying to compete with Air Canada and offer Canadian travellers some choice in the market have repeatedly been saying what we in the New Democratic Party were already saying while Bill C-26 was still before the House: that the anti-predatory pricing measures contained in that bill were toothless and completely ineffective.

This should not be surprising to the government. The commissioner of the competition bureau came before the transport committee while we were reviewing Bill C-26 and told us straight out that the bill did not give him the powers he needed to stop predatory pricing, but the Liberals ignored him. So did the Alliance and the Tories. I do not know why that happened. Maybe they just had their ideological blinders on and would not even think about the possibility that maybe a little regulation was necessary to prevent Air Canada from abusing its monopoly.

The competition commissioner said the bill would not give him the power to stop predatory pricing. My party's response was to try to do something about it. At report stage I introduced amendments to strengthen the competition bureau's ability to fight predatory pricing. The Liberals, the Alliance and the Tories opposed it and now we see the results.

The bill before us today, Bill C-38, would repeal paragraph 6(1)(a) of the Air Canada Public Participation Act. This would remove the 15% cap on ownership of shares by an individual or a group of individuals working in concert. This is a thoroughly underwhelming response to the current crisis in the airline industry. If the minister thinks that this is going to solve either the short term or the long term problems facing Air Canada and the overall airline industry, he is fooling himself.

Government Orders

The government argues that removing the shareholder cap will allow large investors to come in, buy the company, recapitalize it and restructure it. There are two problems with this reasoning.

First, industry and market analysts tell us that there is virtually no interest out there from investors in making any kind of major investment in failing airlines like Air Canada. This was the case before September 11 and it is even more so now given the world decline in travel and tourism since the terrorist attacks. Who does the government think is going to come along and invest all this money in Air Canada? Unless it knows something that it is not telling us, the bill would not do even a little bit of good.

The second problem with the government's reasoning is that even if removing the cap were to solve Air Canada's short term problems, which I do not believe it will, it opens up the airline to an even more long term problem down the road.

Why has the minister flip flopped from 18 months ago when arguing against the elimination of the cap? Is it simply because he sees no other way to address Air Canada's short term cash crunch? There are much better ways to address the short term necessity of keeping Air Canada in the air, which do not carry the long term costs that the bill carries. In the past few weeks, as the New Democratic transport critic I have suggested numerous alternative ways that the government could help Air Canada make it through the short term cash crunch, like tax deferrals, interest free loans, lower airport lease fees and initiating negotiations with Nav Canada to find a way to reduce the air navigation fees.

New Democrats do not want to see a direct government handout of taxpayer dollars to Air Canada, but if it is necessary we have said it should come with strings attached and should give the government a say in how the airline is restructured.

• (1620)

The bill addresses only the immediate short term problem facing Air Canada and it does not even do a credible job at that.

We have to look at the long term issues facing the industry. In the long term it is crucial that the government break the airline industry out of the destructive cycle it has been in for the last decade. The cycle repeats itself over and over again in every country that, like Canada, has an unregulated airline industry. First, capacity rises to unsustainable levels. This leads to massive financial losses. Then the weakest companies go under. They collapse and are downsized or the airline reduces capacity. Then the cycle repeats itself.

This is a ridiculous way for the government to let an industry as important as the airline industry operate. The uncertainty we get from going from crisis to crisis undermines the entire national economy. We can ill afford this with our economy on the verge of recession.

If the government ever wants to end this cycle it has to drop the passive, minimalistic approach the transport minister is suggesting. It has to stop responding on a crisis by crisis, patchwork and piecemeal basis and look at some modern regulation to limit the growth of capacity. I am not talking about the old fashioned regulation of every route and every fare. I am talking about limited, targeted regulation to control the growth of capacity: a modern regulatory regime.

For the good of our airline industry the minister needs to take off the ideological blinders telling him that all regulation is bad and realize that total deregulation is just as bad as total regulation. There is a middle way and that is what he should be aiming for.

Although I do not believe this extinction of the shareholder limit will be the saviour of Air Canada or do the job of stabilizing industry, my party will not delay the bill going to committee. The transport committee needs to review the situation and, quite frankly, I hope we will see investors come forward. However, more must be done to stabilize our entire airline industry. Had one or two shareholders owned Air Canada, where would they be today? Would they have survived the huge losses of the past six weeks? Will these present changes ensure service to all regions of Canada? I think not.

My colleague from the Bloc has rightfully criticized the government for its approach to offering loan assistance. The government has said that if the airline restructures and lays off workers it will get assistance. The government has abandoned smaller rural and northern communities by not holding Air Canada to the merger agreement.

I also want to join my colleague from the Bloc in the disappointment I feel that the Alliance Party refuses to accept our bilingual nation.

Much more needs to be done to stabilize the airline industry. It is time to realize that the strategy of the last decade has not worked. We need to look at alternative methods. I look forward to having witnesses appear before transport committee and to coming up with a resolution that I hope will truly, once and for all, give some stability to our airline industry.

• (1625)

Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR): Madam Speaker, I am pleased to be debating the second reading of Bill C-38. It is with a degree of astonishment that we find ourselves addressing the issue 18 months after the fact.

The issue of public ownership and domestic ownership in Air Canada did come up when we were reviewing the restructuring of the airline industry 18 months ago. One of the dissenting opinions of the Canadian Alliance Party and myself was that this limitation of 15% was not a good thing and should not be in the legislation. We said at that time, and I repeat it now, that the 15% limitation in ownership hindered Air Canada from dealing with the issues rather than helping it. The government was urged at that time to remove the controls on ownership to give Air Canada the ability to raise capital in order for it to be able to afford the debt it was taking on with the acquisition of Canadian Airlines.

Government Orders

At that time the government said, as the minister did today, that it was not necessary to remove the limitations, that it was all fine and well and Air Canada could move ahead without it. Today I heard the minister say the same thing about foreign ownership, that it is not important at this time to remove the limit or raise the limit from 25% to 49% because all is well and Air Canada, with this amendment to the legislation, would be able to garner the capital that is necessary.

I would suggest that now it is time for the government to look seriously at the issue of Air Canada, at its financial position, the issues and the problems it has to deal with, and the government should realize that now is not the time for government to put on restrictions. Air Canada has an enormous debt load. Airlines cost big dollars, not small dollars. Air Canada will require a large amount of money, not a small amount of money, in order to remain afloat.

I would suggest that today the government is showing the lack of foresight that it showed 18 months ago when it would not remove the government restrictions to ownership in a way that would have allowed Air Canada to reach the maximum possibilities of getting fresh capital into its company.

It is interesting to see that Air Canada is now in favour of these changes, that Air Canada is now willing to look at removing this 15% control of domestic ownership and raising the foreign ownership limits from 25% to 49%. It is interesting because 18 months to two years ago it was this restriction on domestic ownership that caused the other bidder, Onex, to remove itself from the merger of Canadian Airlines and Air Canada. It was this limitation on domestic ownership that forced the government to deal with the bid that Air Canada had put on the table. This control on domestic ownership allowed Air Canada, I would suggest, to perhaps make an unwise decision to fight the takeover bid that Onex had put on the table.

Having said that, let me say that the problems Air Canada is facing are not due to September 11. September 11 did not help, but certainly the problems did not originate with the horrific events of September 11. The problems that Air Canada is facing have been ongoing.

There was an article in *The Economist* of July 7, 2001, obviously before September 11, that outlined in great detail the problems in the airline industry, the problems with the downturns in the economy, the fact that air travel fell in the United States and Europe for the first time in decades in May, and the fact that on any given day, at that time, four million people around the world were taking to the air and that at any one moment in time a quarter of a million people were in flight. However, bad weather, congestion on the runways, hamstrung air traffic control, computer failure and the late arrival of incoming flights all turn air travel into a lottery.

• (1630)

It was quite apparent before September 11 that there were major problems in the airline industry. Air Canada is one of the larger players. I understand it is the 11th largest airline in the world but that just means that its problems are perhaps larger than some of the smaller airlines. Air Canada has been having difficulties, to say the least, in merging the two workforces and cultures of Canadian Airlines and Air Canada. It is because of these problems that it ended up in a dire situation that preceded September 11.

We cannot deny that the events of September 11 had an impact on the airlines but I suggest that the government's decision to remove the domestic controls on ownership is a sorry response to the issue Air Canada is facing. The government has shown a complete lack of vision as to where the airline industry should be going. Had it had some vision of how Canada could have a strong national airline with support from other airlines and that all those pieces could work together, perhaps a lot of this angst would have been sorted out before now. Unfortunately, the government has not shown that kind of vision. It had a knee-jerk reaction to emergency situations that arose at the time.

The government had a knee-jerk reaction when Canadian Airlines was going under. Now that Air Canada finds itself in financial difficulty, again it has a knee-jerk reaction. Canada 3000 found itself in financial difficulties and there was yet another knee-jerk reaction. I think Canadians would like to know that their government has given some thought to the future of the airline industry and how their expectations will be met. We have not seen that from the government.

I would argue that there is surely room for one national carrier in Canada. Surely there is enough business. I know in this room alone there are 301 people who end up flying somewhere. Surely there is enough business to support one national carrier, but it should not be at the exclusion of all regional carriers. We should not allow this one national carrier to put every other carrier out of business.

When Air Canada was given some support, as were other airlines, the federal government gave it \$160 million to supplement or compensate it for its direct costs of September 11. What was Air Canada's response to that? It immediately started Tango. What is Tango? Tango is another lower cost airline that is in direct competition to Canada 3000. When the federal government guaranteed a loan of \$75 million to Canada 3000, what did Canada 3000 do? It immediately lodged a complaint with the competition commissioner against Air Canada.

I would like to think and I think Canadians would like to think that there is a long term plan, that the government does not just give money to airlines to get into a fight with the other competing airlines. That seems to be what is happening. Even though Air Canada is financially vulnerable right now, it is planning to create another subsidiary airline to go into direct competition with WestJet.

Why is the government not encouraging through measures one strong national airline that has a role to play and encouraging regional airlines and low cost airlines which also have roles to play? Why would we encourage or allow a dominant air carrier to take out its competition?

• (1635)

Let me get back to Air Canada and the amendment to the Air Canada Public Participation Act which removes the controls on domestic ownership.

Government Orders

Air Canada's board of managers own less than 3% of the company's shares. They are very small shareholders. When we are talking about running a big corporation, being a small shareholder creates a problem because the decisions that are being made need to consider the shareholders' that the board represents. If the board of managers own a very small share of the corporate shares, perhaps the decisions being made are not being made in the best interests of the shareholders, looking at the bottom line.

My colleague from the NDP would probably say that it is time to stop worrying about the bottom line, that it is time for the government to support Air Canada and perhaps take over ownership again, but I do not think that is what Canadians want.

I think Canadians are looking for an airline that has the capacity to operate without government interference and one that has the capacity to restructure its debt and move it into equities. I think they want a company that can take advantage of opportunities and operate in the private sector without looking for taxpayers to bail it out. I think that is possible. If there were a larger group of shareholders with more say and who had higher investments in the company, perhaps decisions would be made in such a way that the company could move forward.

I was a little concerned when Air Canada's largest shareholder, la Caisse de dépôt et placement, made a huge profit by selling short on Air Canada's stock during the downturn and post-September 11 when share value was dropping like a rock. In other words, it was profiting by the decline in value of Air Canada. This company then wanted Canadian taxpayers to bail it out. How can anyone explain to taxpayers that the largest shareholder is making a profit on the devaluation of the stock and yet turn around and expect Canadian taxpayers to bail it out?

I think Canadians would like to see the federal government remove the restrictions on domestic ownership and raise foreign ownership restrictions from 25% to 49%. This would allow Air Canada to restructure in such a way that its debt would be put into equity. Perhaps the largest shareholders, maybe la Caisse de dépôt et placement, would buy more shares and show their interest in making this company work. Perhaps some foreign investment could be brought in to get new capital to make it work. This is not a question of losing control. If ownership remains under 50% then the ownership is still Canadian. This would allow Air Canada to get the necessary influx of capital to function in the real world without constantly going to Canadian taxpayers for subsidies. I think it is possible for Air Canada to compete given a fresh approach and new capital.

We in the Canadian Alliance will be supporting the legislation. It is 18 months overdue which just shows that the government is, as always, slow in doing the right thing.

•(1640)

Mrs. Elsie Wayne (Saint John, PC/DR): Madam Speaker, in my hon. colleague's presentation she referred to regional carriers. Since September 11 we have seen many changes with regard to regional carrier service. It has been cut dramatically. We need that regional service in smaller areas if we expect municipalities to grow. How can we guarantee that the municipalities will be able to keep their people

and the companies that employ the people if there is no regional carrier?

I will give one example. Because of the changes since September 11, next week I will have to fly from Saint John, the largest city in the province of New Brunswick, to Fredericton, then back from Fredericton over Saint John to Halifax, then from Halifax back over Saint John and Fredericton to get up to Ottawa. That is absolutely ridiculous.

I ask my colleague, what can we do to protect the regional carriers and the municipalities and make sure the quality of life the people have had is there for them and that it will continue to grow?

Ms. Val Meredith: Madam Speaker, if regional carriers and smaller carriers had the freedom to grow and expand their market then local businesses could expand and service areas that may not now be serviced.

I take one example of a small local airline that started up in Terrace, B.C., a very small community in northern B.C. with about 15,000 people. It has one or two Dash 8s and provides a two-way service twice a day from Vancouver to Terrace. Because it is local, it offers good service and it originates out of Terrace, it is now bringing in another plane to service the surrounding communities. However, if we allow a dominant carrier to come in, interrupt and interfere with that local airline's potential growth perspective and the travelling public's access to that airline, then it will not maintain its ability to remain in the business.

We need to free up and encourage Air Canada, as the dominant carrier, to concentrate on being the national carrier and to stop trying to drive out the WestJets, the CanJets and other airlines that can provide regional carriage and do it well and service the communities well. If we allow the dominant carrier to replace them, the time will come when they will remove the service as they have done now.

What we want to do is encourage the smaller airlines to fulfill that role in our society. They can do it and they can do it very well.

•(1645)

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Madam Speaker, it is a privilege for me to speak on our transportation industry. This is the second time I will have spoken on this subject.

When my colleague who just spoke was the Alliance critic, I spoke to her about this. She is now the DRC critic and many of the points she mentioned today were what I was going to mention. Nevertheless, I will re-emphasize many of those points.

Before I go to that, I would like to set the record straight. The Bloc and NDP members who spoke alluded to the fact that the Canadian Alliance was opposed to bilingualism. I would like to make the record very clear for them, especially the Bloc member who brought the separatism issue into this.

Government Orders

My colleague, the transport critic, did not say that we opposed bilingualism. He said that only Air Canada was forced to speak in two languages while the other carriers were exempt from that. He said that the rules should be equal for everybody, which would mean that the other carriers should also speak in both languages. He was trying to say that this restriction tied the hands of Air Canada. Let us not twist the facts.

I listened to what the Minister of Transport had to say. I was extremely stunned when he said that parliament put the 15% per cent restriction of ownership on Air Canada. As my colleague from the DRC said, both she and I stood 18 months ago and said free up the ownership rule and let Air Canada fly on its own. At that time, he stood up and said that it was not possible and gave all the usual excuses. Eighteen months later he is proposing a bill removing that ownership.

This indicates that the mess the Canadian airline industry is in is partly the responsibility of inaction and not well thought out plans by the government. We also know that this mess was also created by Air Canada itself. Everybody knows Air Canada's management has been disastrous at times.

Some of the management decisions have made me shake head and wonder if they have been made by supposedly qualified managers. Many times I have asked questions about the operations of Air Canada.

Let me go back to mismanagement by the government. Regulations have tied Air Canada's hands. However the government is untying them slowly. It wants Air Canada to act as a private company. Then it does not want that. Then it wants to put in restrictions. Nobody has the foggiest idea where this is going. Who is aware of what is going on? I am sure even the management of Air Canada is at times wondering what it has to do.

Let us talk about restrictions the government wants to remove. We have the foreign ownership restriction but, as my friend said, that is immaterial.

We want Air Canada to be a viable institution. By removing the 15% restriction, it will be able to trade. It will be a private company.

•(1650)

Government has no ownership. If the government has no ownership, why is it poking its nose in Air Canada? It claims and says that the smaller communities do not have services and that we have to provide them with these services. My colleague from DRC articulated one point very well. WestJet provides services.

One of the reasons WestJet came into existence was simply because Air Canada was charging too much. It was ridiculous. Hence WestJet came out with a sound business plan and look where it is stands today. Even after the disaster of the September 11 attack, WestJet said it did not need much money.

Members of parliament, who have travelled over the last three and a half years or four years, know that Air Canada and Canadian Airlines were trying to kill each other. It was not good for the airline industry. We had planes departing at the same time. What were they trying to do? I do not understand. They were routed to the same place, which was absolute nonsense. These planes were half full.

We now have Air Canada doing the same thing with Tango airline. Their experts say Tango is a great name. I guess we will have to get used to it.

My colleagues just advised me that Air Canada picks them up and pushes them over to Tango. Air Canada is using its bigger monopoly for this discount airline in competition with the other regional airlines.

What is the intent of Air Canada? It has more than 70% of the market. It has all the international routes. If it concentrated on its core business to provide good service, it could do well. However, it is more interested in opening up Tango and trying to run other people out of the business, which has fallen off from since they were dealing with Air Canada. There is absolutely no change in the mentality of the management of Air Canada.

As a matter of fact, when I travel and talk to Air Canada and Canadian Airline employees at the Ottawa airport, the Calgary airport and in some other place, I do not see happy employees. They are, of course, worried about jobs, but in general their morale is down. As a former businessman, I do not know how people can run a company with unhappy employees. It will eventually translate into frustration and bad service. I have had bad service on many occasions. Who has not had this bad service?

We need to make Air Canada what it is supposed to be: a business that is an expert in transportation. That can only be done if we remove the regulations.

The NDP members said they liked competition but they wanted regulation. The Bloc wants to protect the employees. We all want to protect the employees. However, in the long run, if Air Canada's hands were untied and it had the ability to make sound management decisions with happier employees and a happier public, that would benefit Canadians.

Canadians would like to see that maple leaf flying all over the world. It is a great sight to see but not at the expense of Canadians.

After the September 11 attack, a statement made by the CEO of Air Canada stunned everybody. He said he wanted \$3 billion to \$4 billion of Canadian taxpayer money. This airline has a monopoly. It is an airline that, through its predatory practices, killed Canadian Airlines. It has all the international market, yet it wants money and blames it on September 11.

•(1655)

Everybody knows that previous to that it was having severe financial difficulties. Obviously, if we really looked at it, the restrictions put on Air Canada by the government has had an impact on it. It has not been able to work as an efficient business entity.

People keep saying they want Air Canada. Then they say they will let Air Canada go like they did to CN. Look what happened to CN. There are two railway lines, the CN and CP. That is all right. When CN was let go, CN's performance improved and now we have two viable railways.

Government Orders

What happened was people did not want to let Air Canada go. There was this fear, especially with the Bloc, the NDP and the Liberal government that services would not be delivered to small communities and to others. Canadians are very entrepreneurial. Canadians will seize the opportunity.

I can say that, if the opportunity is there, lots of regional airlines and other airlines will come in. Right now with all the restrictions, Air Canada is in a dominant position and will not let anybody come in. It is running these operations at a loss, but it still wants to maintain its market share.

The pricing structure of Air Canada right now makes me shake my head. Air Canada charges \$3,000 from Calgary to Ottawa. That is pretty expensive. I flew from Vancouver to Shanghai for \$4,000. If a person flies last minute economy it is over \$2,000. Is it going to let discount air carriers come and let them take the traffic?

It is obviously a stupid business decision as far as I am concerned. No wonder the other airlines woke up. Now Air Canada has Tango, the no frills service. The bottom line is simple, most people travelling on Air Canada are travelling at half the price.

There is a need to allow Air Canada management to be let go. There is a need for an infusion of capital, and it should get it. There is a need for sound management practices by Air Canada

The Acting Speaker (Ms. Bakopanos): I apologize to the hon. member, but it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Employment Insurance; the hon. member for Burnaby—Douglas, Terrorism.

Mr. Deepak Ohrai: Madam Speaker, I am bringing to the attention of government that its regulations have brought this mess to the airline industry. Let us talk about this. Members should talk to the public and the airline employees. We have unhappy customers and unhappy employees.

The government has to unshackle Air Canada and that is why we are supporting the bill. It is time that we have a real look at Air Canada and the airline operation. We cannot let it go and hope like the Minister of Transport does. With all his policies he hopes this will happen or that will happen. We do not need hopes. We need a concrete plan.

The minister hopes competition will come. Create the situation so competition will come. There are thousands of Canadian business people who would invest in small regional airlines that could feed into main feeder routes. We have an excellent infrastructure for the transportation industry. We just want to make effective use of it.

• (1700)

Mr. Loyola Hearn (St. John's West, PC/DR): Madam Speaker, I will be sharing my time with the member for Saanich—Gulf Islands.

This debate is an extremely important one. Perhaps it is no more important to anybody else in this whole House than it is to the members who represent the province of Newfoundland and Labrador. Should members from any other province decide they want to walk or drive home, they can do it. We cannot. We have to fly, swim or take the ferry. We are more dependent on the airlines,

especially our business people, our everyday travellers, people going on vacations, many students who are at universities on the mainland, and I could go on. Practically every family is affected by the service to our province by the airline. Basically, we are talking about Air Canada.

Fortunately, over the last while we have seen Canada 3000 coming in to the province and providing a bit of competition and some extra service. This certainly is looked upon by many as being one of the factors that kept the rates down somewhat. However, to a large degree Air Canada still has a monopoly. That is one of the concerns we have when we talk about this bill.

As we look at protecting and preserving our national airline, which we favour tremendously, we also have to make sure that the service that is eventually settled upon is provided at a reasonable price. Regardless of whether it is completely operated by the private sector, whether there is government involvement, or whether involvement by foreign companies is much greater than at present, whatever the case may be, that service must be provided to Canadians from British Columbia to Newfoundland at a reasonable price.

We are getting more letters than ever before from people who have no choice but to use the airline but cannot afford to do so. The prices to fly out of many of our smaller areas are extremely high. Consequently this has a very negative effect on many ordinary people throughout the country.

It is great if someone is travelling for a wealthy company that is paying the bill or travelling on behalf of the government, realizing of course that if the government is paying the bill, it is coming out of the taxpayers' pockets anyway. However, for the average family on medium or low income who have to travel because of sickness, educational needs or work, whatever the case may be, it is extremely difficult for them to get on and off the island of Newfoundland at the present rates that are being charged by the airline. We must keep that in mind. It is not just in Newfoundland; the service provided has to be reasonable enough to be used by all the people of the country.

The private sector, God love it, keeps the economy going. However, the bottom line for everybody involved in business is to make money. In order to make money they provide a service. In providing that service, any company worth its salt will try to make as much money as it can. When we are talking about providing an essential service to the people of this country, then companies have to be regulated to some extent so that they cannot charge people whatever they wish, or just pick lucrative routes into the larger areas.

Everybody wants to fly out of Toronto. Everybody wants to fly out of Vancouver. Everybody wants to fly out of Montreal. However, not everybody wants to fly out of Stephenville, Deer Lake, Goose Bay or even St. John's and many other small towns and cities throughout this great country.

Government Orders

●(1705)

People in the lucrative areas usually earn much higher incomes than those in the rural areas. If they can fly for fairly reasonable rates, why should people who are in areas where the going is tough economically have to pay two to six times more per mile than the people in the larger centres? It is entirely unfair. The government has to do something about it.

The problems first started a couple of years ago with the closure of Canadian Airlines. That was when the government should have stepped in and made the right decision. It certainly did not. The private sector had the opportunity to move in and solve the problems that we face today and by refusing to do what the government is now asking with the share restriction, we could have solved that problem two years ago.

Instead, the government basically forced the then lucrative Air Canada to take on the complete debt of Canadian Airlines. Canadian Airlines, with all kinds of employees, was going down the tubes. The government said to Air Canada, a company that was doing very well, that it could merge with Canadian Airlines and take it over but it would have to take all the debt and carry all the baggage, pardon the pun, with it.

It just cannot work that way. Rearranging the company so it would be a viable option was not allowed. Instead Air Canada was saddled by government regulations with a company that has now put it under.

Now that we are revisiting this whole situation, hopefully common sense will prevail. Whatever the resolution is, by the time we pass the present legislation and deal with the Air Canada situation in total, hopefully we will have a decision that will enable Air Canada, whoever the owners may be, to operate viably and to provide a reasonably priced service to everyone in the country.

Air Canada was viable before government asserted its authority and tried to tell it how to run the company. When we look at the experiences of this government in particular, when it asserts itself to try to do anything, we know the result is not successful. The records are there to prove it.

In all of this process the group of people we all must be concerned with is the employees of Air Canada itself. From coast to coast we have a tremendous number of hardworking dedicated Air Canada employees, some of whom have been with Air Canada for quite some time. Some of their jobs were jeopardized when Canadian Airlines was taken over by Air Canada. The type of deal the government set up was entirely unfair to the employees who had been with that company for quite some time.

Regardless of that, an employee is an employee. We certainly do not want to make choices as to who should be laid off and who should not. Hopefully a properly structured regulated airline can be busy enough and the profits lucrative enough for it to ensure that all the employees, regardless of whether they were with Air Canada for 30 years or whether they came with the Canadian Airlines merger, can find good, solid jobs within the airline.

In view of September 11, we must instill some confidence in people to get back in the airplanes and fly. As many of us know, in many cases it is much safer to fly than it is to drive or walk.

Hopefully, we can get back to creating a good economy around our airlines.

●(1710)

However, profits are made around numbers. I mentioned this before. I know I am repeating myself to some degree, but I cannot overemphasize the fact that we are pricing ourselves out of business. It is great to say that we made a profit because we can charge \$2,000 for a trip from point A to point B. If we charge \$1,000, three times as many people may take the trip and then the profits would be even greater.

We have to make sure that an airline, especially where it is serving areas of the country which depend entirely upon that mode of travel, charges prices that are within reason. We are getting away from that. From Newfoundland to Ottawa the round trip costs anywhere from \$1,800 to \$2,000. Not many people can afford that. To fly from Newfoundland to Halifax quite often costs in the range of \$700 to \$800 and sometimes even more. Just a few years ago it cost in the range of \$200 to \$300. How many average people can afford to fly when they are paying three times more than they paid just a few years ago? Why should they have to pay that?

It is interesting to compare fares, as I mentioned earlier, in areas of British Columbia. I should not say British Columbia because it has the same problem in certain parts of the province that we have. However, quite often the fares from Vancouver, Toronto and Montreal are quite reasonable.

The member for Saint John who has been flying for some time will tell us that the prices paid to get from New Brunswick to here are much greater today than they were even two or three years ago. It does not make a difference for us; I have to come to work and the government pays my way. However, the taxpayers are paying for it. It is affecting our bottom line. If the person next door to me has a job in Ottawa and wants to go home, or his family wants to come to visit, they usually cannot afford to do so because the costs are so exorbitant.

There are a few things we have to keep in mind. If government is asserting itself by bringing forward and approving legislation, let us make sure it is good legislation. If we are to interfere with the operation of a company, let us make sure that we have some say. If government money is going into a company, the government has to have some say in its operation, not telling it how to run the company, let us stay out of that, but making sure that the consumer is protected.

We have to make sure that a private company can operate viably. Quite often the best way to do that is to get out of its way, cut the red tape and bureaucracy and let it do the job.

If we had let Air Canada do that two years ago or the private sector we would not be here today worrying about how to straighten out our national airline. If we had not stuck our nose in and interfered with Air Canada as it took over Canadian Airlines we would not be here today. It would undoubtedly still be a profitable operation.

Government Orders

We all know that Air Canada, Canada 3000, West Jet and all the other airlines were affected by the events of September 11. It is right and proper, because of actions taken by governments around the world, that the government compensate them for the direct losses they incurred during that process. We have no problem with that. However we cannot let inefficient companies or companies that are operating under such government restraints that they become inefficient piggyback on September 11. However, if it is the government's fault, as I would suggest it is with the present situation as it relates to Air Canada, then the onus is on the government to correct the mistakes of the past.

● (1715)

We should have learned from what happened a couple of years ago. Let us not make the same mistake again. Let us not make our cuts and changes on the backs of employees of the company. Nor should we make our decisions and cuts on the backs of people who live in certain areas. We should not sock it to them, as the saying goes, and say that if they want to travel they must pay the price.

Confederation is about looking after all the people and provinces that fall within this great dominion. We are supposed to be brothers and sisters who share and share alike. Some of us have advantages because we live in larger regions. Many have advantages because we live in small ones, whether it be greater resources, the types of freedoms we have or whatever.

When it comes to movement throughout this country, we should not be penalized because we live in remote areas. We should not be disadvantaged when it comes to educational or employment opportunities because we live in small communities or because our accent or skin colour is different. That is not what Confederation is about. That is not what Canada is about.

We have a chance here to do something right. Let us use a bit of common sense, as I said before, and make sure we do it right this time.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, I wanted to come back to the House after my speech and clarify some things that were said about my speech within the context of the debate on Bill C-38.

It was said by the hon. Bloc member that I was somehow anti-French and anti-Quebec because I dared say that the Air Canada Public Participation Act is not the most efficient means by which to enforce official bilingualism in Canada.

By mandating that only Air Canada must enforce the Official Languages Act and not the other carriers, we are doing a disservice to the principle of official bilingualism rather than a service to it. That is the only point I was trying to make. The member dared to stand in this place and say I am anti-Quebec and anti-francophone because I dared to point out that principle and enforce the view that official bilingualism is an appropriate principle for Canada.

I would inform the hon. member that my mom taught French immersion in British Columbia. My sister teaches French immersion in British Columbia. I am a product of French immersion. When I was 12 years old I lived in Quebec for a month in a community that was totally francophone. I did so because I wanted to learn the

language and understand the country better by being exposed to literature in both official languages.

I would say to the Bloc member that there are a lot of British Columbians who want to learn both official languages to understand the country better. However enrolment in French immersion classes is way down because of the Bloc Quebecois and separatist movements.

My family has done more for the country by advancing official bilingualism and the French fact than the Bloc Quebecois has ever done. For the hon. member to dare stand in this place and say I am opposed to official bilingualism is absolutely offensive.

I would encourage the hon. member to withdraw the remarks because the official opposition and I are in favour of official bilingualism. That sort of smear is totally inappropriate and undignified for the French language in Canada.

● (1720)

The Acting Speaker (Mr. Bélair): That was more a point of order than a question or comment. I do not know if the hon. member for St. John's West wishes to respond to it or not. He is indicating that he does not.

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, I congratulate my hon. colleague for his presentation but I want to ask a question. In Saint John, New Brunswick, as I was leaving to fly to Ottawa this week, one of the men who had been working at Air Canada for 23 years received his notice that he was being laid off. He needed a little more time to get his retirement pension.

When we are bringing in legislation and talking about things like this we must somehow have protection for people like him. That must be part and parcel of the legislation.

I then went to the ticket agent who had been there long before I started flying to Ottawa. She got her notice that day.

This is what is happening. Many people are being hurt right now. We gave the airline \$160 million and it went out and bought another carrier instead of looking after those employees. How does my hon. colleague feel about this?

Mr. Loyola Hearn: Mr. Speaker, the hon. member is dead on in what she says. I think all of us who have gone through airports recently have run across employees in a similar situation. A while ago Air Canada tried to lay off a number of employees who had come from the Canadian Airlines system. Because of an agreement they have been asked to put it all on hold.

Because of the transition that has taken place I would suggest to the government that Air Canada not be allowed to tamper with its employees until the mess is straightened out. I hope we can deal with them by keeping them on. If not, we should still proceed in the right and proper fashion and try to get the company back on solid footing so we can continue for many years to provide the type of employment we need so badly in Canada.

*Government Orders***ROUTINE PROCEEDINGS***[English]***COMMITTEES OF THE HOUSE**

LIBRARY OF PARLIAMENT

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I believe you would find consent for the following motion. I move:

That notwithstanding Standing Order 106(1), the Standing Joint Committee on the Library of Parliament be permitted to meet on Thursday, November 1, 2001 at 1.00 p.m. for the purposes of Standing Order 106(2).

This is to forgo the usual 48 hour notice for a committee to meet. It is simply to establish a meeting to select the chair and vice-chair. The opposition House leader has agreed with the motion.

The Acting Speaker (Mr. Bélair): Does the government whip have unanimous consent to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Bélair): 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)

GOVERNMENT ORDERS*[English]***AIR CANADA PUBLIC PARTICIPATION ACT**

The House resumed consideration of the motion that Bill C-38, an act to amend the Air Canada Public Participation Act, be read the second time and referred to a committee.

Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR): Mr. Speaker, I want to speak to Bill C-38 in which the government is finally acknowledging that it is willing to raise the foreign ownership restriction from 15% to 45%. I compliment the member for South Surrey—White Rock—Langley. She has been a leader on the issue and has fought for these changes ever since I was a member of parliament.

If the government had taken leadership on the issue years ago the airline industry may not be in the mess it is in right now. It is important to emphasize that. Canada's airline industry is in a disastrous state. The government is scrambling and grasping at straws to make the changes that will somehow pull it out of the ground.

The government must take responsibility for the mess we are in today. It was directly involved with the Canadian Airlines and Air Canada deal. Who knows to what level it was involved? It is important that this be stated here in the House.

We in my party support the bill. I cannot overemphasize the amount of work my colleague the member for South Surrey—White Rock—Langley has done on the issue. She has been a leader. She saw the problem when the airline industry was first in trouble. She

did virtually everything in her power to get them to come to their senses.

It is important to emphasize that this is not a result of the events on September 11. There is no question that the attacks had a compounding effect, but the industry was in dire straits prior to that. Air Canada was losing something like \$1.5 million a day and the government refused to move. I wish the government had done something sooner.

I am not convinced the bill would save Air Canada. Air Canada has huge problems. I have spoken to people directly involved in the industry who are not convinced Air Canada can survive. Technically it should be bankrupt now.

I have stated before on the record that I do not believe bailouts at the cost of the taxpayer are the solution. It is one thing to provide Air Canada with direct compensation as a result of September 11. However to start bailing it out with the billions of dollars it is asking for is not the answer. There must be changes to Air Canada. There must be changes to the way the airline is managed. It is a disaster.

We in the Canadian Alliance will be supporting the bill. I am pleased to stand and support legislation that the member for South Surrey—White Rock—Langley might well have drafted herself. She is the one who brought the issue to the forefront. She is the one who has advocated it for so long.

It is a pity the government would not listen to her. It is a pity the government would not listen to the good ideas of a member of parliament who knows the industry inside and out, who has many airline workers in her riding and who has followed the issue. It is a pity the government would not put the future of airline industry employees who face losing their jobs ahead of politics. Unfortunately the government only started listening at the 24th hour. It is now uncertain whether this can be saved.

We in my party will be supporting the legislation. It is about time the government woke up.

• (1725)

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: On division.

The Acting Speaker (Mr. Bélair): I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Transport and Government Operations.

(Motion agreed to, bill read the second time and referred to a committee)

[Translation]

The Acting Speaker (Mr. Bélair): The House will now proceed to consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

• (1730)

[English]

EMPLOYEE BENEFITS

Mr. Pat Martin (Winnipeg Centre, NDP) moved:

That, in the opinion of this House, any actuarial surplus in any pension plan or employee benefit plan should be considered the deferred wages and exclusive property of the employees and should only be used to improve the benefits of retirees or to provide a contribution holiday for employees

He said: Mr. Speaker, I am very pleased to speak to what we believe to be a very important issue, an issue of broad national interest, an issue that deals with our nation's pension plans and our retirement savings plans.

I believe all of us as members of parliament hear from our constituents on a regular basis with some degree of concern as to the well-being of their employment benefit plans, the management of those plans and their ultimate retirement plan issues.

My motion is quite self-evident in the very brief motion that it is. It makes the argument that whenever an employee benefit plan or a pension plan shows a surplus, that surplus got there by an over-contribution. It is an actuarial surplus. It should be viewed as the property of the employees, not to be used for anything else. In other words, the employer should not be able to view this actuarial surplus as something that he could in fact dip into and use for any other reason, for any purpose other than improving the benefits of the beneficiaries of the plan or, and we also contemplate another acceptable usage, to give a contribution holiday to the employee if in fact it is a joint contribution plan.

This raises a whole debate right across the country because of the sheer size and volume of these plans today. Members in the House would be interested to know that employee benefit plans constitute the largest single block of capital in the world today. Over 50% of all the trading going on in the stock exchange is employee benefit plans moving their money around. It is huge. My own union is a very small union on an international level and our union pension plan is \$40 billion. It really is staggering to look at the scope and size of these plans.

We can understand the temptation of the employers as they view this actuarial surplus to say either that they are in a pinch and can use that money or that they could use that money to expand the company or for any number of reasons.

I first took note of this back when Conrad Black owned Dominion Stores. There was quite a national court battle over the idea. I think there was an \$80 million surplus at that time. He believed that he made the contribution to the plan and it was a defined benefit plan. There was an actuarial surplus, ergo he should be able to use whatever surplus there was. In other words, anything above and beyond the stated obligation should be his to use for any other purpose. The employees balked at that and took it to court. Ultimately, when all the dust settled, a split was negotiated.

There has been an absolutely overwhelming number of similar cases since then, which was what made me interested in putting forward a motion. We believe that the courts could use the guidance

Private Members' Business

or at least that this debate over these plans could use the guidance of members of parliament. Some direction is needed because, frankly, the rulings of the courts or of third party arbitrators, whatever the case may be, have been all over the map. They have gone from ruling that yes, it is the exclusive deferred wages being held in trust for the employees, to no, it was the employer that made the contribution, ergo it is the employer's money, to any combination halfway down the middle, 70:30, 60:40, 50:50. Judgments have been all over the place.

There is no comfort level for Canadians. There are many pensioners or people of middle age or beneficiaries of pension plans who are nervous about this. It really came to a peak in my mind, and it was about the time when I drafted this motion, when the government, as an employer, the largest public sector employer in the country, did the exact same thing. It could not help but notice a \$30 billion actuarial surplus in the public service employees' pension plan. As he left Canadian politics it was the last action of Marcel Masse, the former president of the Treasury Board, to pass legislation in the House to take every penny of that \$30 billion.

• (1735)

There was no negotiation. There must have been a question in the government's mind as to who rightfully owned it, because if there was not a question it would not have had to put forth the enabling legislation to enable it to take it all. However, by its actions the government weighted this otherwise legitimate debate that is going on in the country.

That \$30 billion should have been seen as the property of the employees on whose behalf the contributions were made. When we think about that particular case it is worthwhile to point out what a difference it would have made had the government shared even a portion of the \$30 billion with the beneficiaries of the plan. We did some research. The average beneficiary from the public service pension plan collects \$9,000 per year. It is not exactly a generous pension. Had the government shared even a portion of that \$30 billion, and we calculated it at one-third, I believe, it could have doubled each beneficiary's yearly pension to \$18,000 a year. It would have made a huge difference in the lives of many senior citizens in the country and there still would have been a surplus for the Government of Canada to use.

When I raise this issue I think I can say without any fear of contradiction that most Canadians want to know the status of any kind of surplus in a pension plan to which they might belong.

I should go further to point out another thing that may come up during the debate. To me it does not matter whether the contribution was made by the employer or by the employee. Many pension plans are joint contribution plans. The employee puts in \$5 a month and the employer matches it with \$5 a month. It is all the employee's money. Let me state that very clearly. I am sure we will hear contrary opinions today. From my point of view and the point of the view of the labour movement in the country, it is all the money of the employees because it is part of their negotiated wage package.

Private Members' Business

Let us think about how employers end up putting in contributions to pension plans. A wage increase is negotiated at the bargaining table, at least in the unionized sector. Let us say that it is a 1% raise. Then the employers and employees talk about how the 1% will be given to the employee and usually it is some combination of wages and benefits. In other words, employees take their negotiated wage increase and say they want 25 cents an hour in their pockets and 25 cents an hour put into their pension plan on their behalf. That is how we get the view that it is employees' deferred wages being held for them in trust until they are needed.

In our view, to use the money for anything other than the understood use is a breach of trust. Employers take money off employees' pay packets and put it on hold for them for a specific reason. To seek to take it out and use it for some completely different reason is a breach of trust, a breach of faith. That is what is happening right across the country, or at least employers are seeking to do that right across the country.

I brought with me an absolute stack of recent cases. I will not bore the House with all the details. We can hardly open a newspaper to the financial pages without finding an example, whether it is OMERS, of the Ontario municipal employees' union, which is currently fighting the same fight with CUPE leading the struggle on the employees' behalf, or Moore's of Canada, the garment retailers. Royal Bank employees are having a similar battle. Bank of Canada employees are having a similar battle.

All across the country seniors' groups, groups of retirees and groups of pensioners are coming together to ask this very important and pressing question, which raises the point of why the House of Commons did not deem the issue votable. I really think we are doing a disservice to the many retirees, pensioners and members of pension plans who really do want some direction. They want a legal opinion.

They are many conflicting legal opinions, but they want a legal opinion from this authority, maybe not the highest authority in the land, but certainly this House of representatives should have an opinion to share, to give some direction and to add to this very pressing debate.

• (1740)

As I have said, I was part of a union pension plan myself, the carpenters' union. I served as a trustee to manage that fund and I do know something about the issue. Another point I would make is that in our unionized setting these plans were jointly trustee. Had I had room within this motion I would have also advocated that there be a mandated joint trusteeship in any trust document forming an employee benefit plan. We believe it is only logical that the interests of those who ultimately would benefit from the plan should be represented at the trustee level. I do not think we would be having the same court challenges or clogging up the legal system with these many challenges were we able to deal with that at the most elementary level, whereby the board of trustees would make the choice as to how it would allocate any kind of surplus in one of these employee benefit plans.

I have had meetings with Canadian union retirees, with members of the Manitoba association of seniors and with other seniors' groups and organizations and activist groups that deal with employee benefit plans. They are seriously in need and desirous of somebody coming

forward and ruling once and for all on how these surpluses should be invested or dealt with.

There was a school of thought in the recent Bell Canada pension surplus issue, where the surplus was divided up in roughly the same percentage as the contributions were made. It was a 40% employee contribution matched by a 60% employer contribution. That was the way the surplus was divided up. That happened at exactly the same time we were debating Bill C-78 and we in the House were making the ruling that the government would take all of the \$30 billion and not put one penny into the pockets of either the employees or the beneficiaries of the plan, the retirees.

It is not hard to see where the government found the \$100 billion that it gave in tax cuts. It took \$30 billion from arguably the most needy people in the country, senior citizens and pensioners living on \$9,000 a year from the public service pension plan. It took another \$30 billion from the surplus in the EI fund. That is no secret either. Therefore, of the \$100 billion, \$60 billion came from unemployed people and pensioners. That is nothing to be very proud of.

However it is not my intention to berate the federal government over water under the bridge. Bill C-78 was passed and is now law. In that context it does not give guidance to other private sector pension plans or even to other public sector pension plans as to how they might treat their surpluses. This was a special act of parliament that gave parliament a one time right to take the \$30 billion actuarial surplus out of an employee pension plan. The same question still arises right across the country in both the private and public sectors.

It is not just the trade union movement that believes pension plans are a form of deferred compensation for employees. There are legal opinions to that effect. Many people use the test that if costs are bargained in the negotiation of a pension plan the amounts which are agreed on to be put toward pensions are in fact deferred wages. If benefits are bargained and not costs, it would follow that it is the promised pension benefit that is the deferred wage rather than the contributions which pay into the benefits. I believe that is the distinction. If it is the benefit that is bargained and not the contribution, then in a defined benefit package there would be no question. Employees would have satisfaction without going to the courts. They could just look at the jurisprudence.

If it is in fact the defined costs, or in other words, if we are dividing up who would pay into the plan, if that is part of the negotiating process, at least in some legal opinions there is no question that it is the deferred wages of the employees that are being held in trust for the employees and they should be considered the exclusive property of the employees, to be used only in two ways: to sweeten the benefits upon retirement or to give the employees a contribution holiday for a period of time.

Private Members' Business

● (1745)

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the hon. member raised some interesting ideas, but I cannot support the motion. I will give the main reason I cannot support the motion first, then give some background and come back in more detail on why I cannot support it.

The basic reason is that the member's motion is a good example of what might be called the law of unintended consequences. The intent is to benefit workers in pension plans over employers, but the effect would be otherwise because the critical point that the motion fails to recognize is that pension plans are voluntary.

If this motion were to succeed and become the law of the land, the primary impact would be that we would have far fewer companies willing to set up or continue with pension plans and workers would be forced to make their own contributions to RRSPs or defined contribution plans. That is more or less what the Alliance was arguing for when we had the debate some time ago dealing with Canada pension plan reform.

We would have a retreat from the stability and the security arising from defined benefit plans which currently exist today. We would go to the much less secure world of employee directed plans where the security of the employees would be reduced. The unintended consequence of this motion would be to reduce the security for employees in their older years rather than to increase their wealth which is the intent of the motion.

I will give a bit of the background provided by the department on how the current system works. One would not want all the department's work to be of no avail. The Pension Benefits Standards Act, PBSA, is the main federal act that regulates pension plans in federally chartered enterprises. This includes banking, interprovincial transportation and telecommunications. Other private pensions are regulated by the province.

The PBSA is administered on behalf of the government by the Office of the Superintendent of Financial Institutions, or OSFI, and covers some 1,100 pension plans. OSFI clearly makes every effort to protect the rights of pension plan members having due regard for the voluntary nature of pension plan sponsorship. If we ignore the fact that pension plans are voluntary we do so at our extreme peril, which is the critical deficiency of the motion.

Bill S-3 which was introduced in 1998 is another bill that is relevant to this debate. Major changes in the bill included enhancing planned governance measures by placing more emphasis on the importance of the responsibilities of plan administrators. It required administrators to provide more information to plan members and former members on the financial condition of the plan and a means to facilitate agreements between employers and plan beneficiaries on the distribution of surpluses.

The bill specified the manner in which employers who sponsor pension plans with surpluses could withdraw a portion of the surplus. That should be of particular interest in today's debate. In June the government announced specific regulations which relate to the mechanisms for an employer to establish claims to a surplus.

The measures in Bill S-3 and the subsequent regulations provided for an explicit process for the determination of surplus ownership of pension plans. These changes created an environment where employers and employees have the opportunity to work together in dealing with pension plan surpluses.

So much for the status quo and the system under which we work today. I will now return to the law of unintended consequences. The hon. member's motion would have precisely the contrary effect to what he intends. To illustrate and explain that point more clearly we should make the key distinction between defined benefit pension plans and defined contribution pension plans.

● (1750)

Under defined benefit pension plans the employer guarantees to the employee a certain fixed sum of money when that employee retires and therefore is required to build up the capital to fund that future contribution. The risk is borne by the employer and that is the setting in which surpluses arise. There may be excess surpluses and the debate is about who will control them.

Under defined contribution pension plans there are really no surpluses because each employee makes a defined contribution every month or every year. The stock market and the bond market would determine the amount of money that an employee would receive in retirement.

When everybody thought that the stock market never went anywhere but up, until recently that is, defined contribution plans were becoming more popular. A lot of companies are shifting away from defined benefit where the employee has the security of knowing what his or her future pension would be and the risk is borne by the company to define contribution and where the employee gets whatever the market delivers on his or her investment.

It is too early to tell but I suspect this enthusiasm for defined contribution waned a bit in the last several months. People have learned that the stock market does not go exclusively up but sometimes goes down. The risk for the individual whose life savings are in the stock market is now perceived to be greater than it used to be.

This comes back to the Alliance's love affair with defined contribution self-directed pension plans when we were dealing with Canada pension plan reform. Thankfully we did not do this and we preserved the security of the pensions of Canadians through the Canada pension plan rather than subjecting each individual to the whims of the market. It might have looked good back then but it looks a lot less favourable and more risky today.

If companies were sole contributors and were required to say that the surplus belonged to the workers entirely, even if it were the company that put in 100% of the contributions, we can bet our bottom dollar that companies would not want that. Companies would not agree to it if this motion were to pass. Pension plans are voluntary and they would get out of it.

Private Members' Business

The trend that we have been observing from defined benefit toward defined contribution would accelerate. The unintended consequence of the member's motion would accelerate the shift away from defined benefit pension plans and toward defined contribution. The net effect would reduce the security and the income of today's employees rather than increase their wealth. That is a more than adequate reason to oppose the motion.

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, I am speechless. The parliamentary secretary has put forth a position with which I, unfortunately, have to agree. The motion put forth by my colleague is a very well intentioned motion. The intent is there to protect workers and ensure that all Canadians, of whatever background, have a solid nest egg, something to retire on.

When my father came over from Italy he was part of the union movement. He started out as a carpenter and a painter. He was a member of local 1080, the painters and allied trades in Toronto. The pension plan was a very important one for him. He moved on and started his own business but he does receive a pension plan.

The important thing for me in the Alliance Party in Canada is that there is choice. In our constitutional parliamentary system we have the judiciary and the parliamentary system. With the bringing into effect of the charter of rights, the distinction or the relationship between those two bodies, it is not that it is being blurred but it is in the process of being figured out.

In looking at the motion, I do not believe it is balanced enough. As the parliamentary secretary mentioned, it takes an approach that removes a lot of the individual's freedom for decision making. When my father was a drywaller and a painter, he had companies and subcontractors that were willing to participate in a type of pension system. That was very important.

I was going to talk about the flaws in my colleague's motion but I would be redundant because the six points I would have mentioned have been gone through by my colleague from the government side. However we can always trust a Liberal to put a partisan edge on a debate that deals with the well-being of Canadians. That is the key point here.

I am sure all members in the House want to make sure workers are taken care of. We have a process. It may not be the final word on determining surpluses but it is a process and for the House to support the motion I think would tie the hands not only of the courts but of parliamentarians in this sitting and in the future.

For that reason, I and the official opposition cannot support the motion even though we support the intent of the motion to provide a solid pension system for the hardworking men and women of Canada.

• (1755)

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, thank you for this opportunity to intervene in connection with Motion No. 401 by the hon. member for Winnipeg Centre, which reads:

That, in the opinion of this House, any actuarial surplus in any pension plan or employee benefit plan should be considered the deferred wages and exclusive property of the employees and should only be used to improve the benefits of retirees or to provide a contribution holiday for employees.

I would like to take a few moments to dissect the motion, starting with the first part calling for the sums paid into pension plans or employee benefit plans to be considered deferred wages.

We in the Bloc Québécois are naturally in favour of the motion. We are not at all bothered by considering the employee portion of pension plans or benefit plans deferred salaries.

In professional sport, that is how the multimillionaire players get deferred salaries years after retirement. These people are, it must be kept in mind, earning millions of dollars a year. They are not our average wage earners.

Another part of the motion I think it important to address is the part about these pension plans remaining the exclusive property of employees. If the motion had been law, I think it would have prevented certain unscrupulous governments from dipping into pension plans and EI funds.

I am sure the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, who is the Bloc Québécois' EI critic, would agree that employers and employees own Canada's EI fund.

As the member for Winnipeg Centre explained so clearly, this would resolve many decades long legal disputes. One particular case that comes to mind is that of Singer, an American company which manufactured sewing machines.

One fine day it decided to shut down its Saint-Jean plant, cross the border and leave for the United States, taking with it the employees' pension fund. It took years to resolve the problem in the courts, so many years that most of those entitled to draw pensions under the plan had died by the time the case was settled. The majority of them had died and those still living were 80 or 85 years old and had only a few more years left to benefit from the pension fund to which they themselves had contributed.

Clearly, we agree completely with the motion put forward by the member for Winnipeg Centre.

In conclusion, however, I find it unfortunate that the motion is not votable. I therefore seek the unanimous consent of the House to make the motion votable.

• (1800)

The Acting Speaker (Mr. Bélair): Is there unanimous consent of the House to make this motion votable?

Some hon. members: Agreed.

Some hon. members: No.

Private Members' Business

[English]

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, it is with pleasure today that I rise to speak to the motion by the hon. member for Winnipeg Centre. I commend him for bringing it forward. It harkens back to when the government, through Bill C-78, raided \$30 billion out of the federal superannuates' pension and did so while breaking its own guidelines set forth in Bill S-3 which was originally introduced in the House in 1997.

While I do not support the member's motion completely, I do believe the government ought to follow its own rules as set forth in Bill S-3, which did provide at least a framework to ensure that the interests of employers were balanced with the interests of employees and the third group, the people who had already retired and stood to benefit.

Clearly the government was in violation of the principle of Bill S-3 and in fact broke its own rules by arbitrarily taking \$30 billion out of the superannuates' pension fund without actually following some type of rules based methodology which would have ensured fairness to all parties involved at that time.

Bill S-3 actually put forth some level of guidelines. It outlined that the surplus could be accessed if two-thirds of the current members to the plan and two-thirds of the former members, retired employees, agreed. If they could achieve 50% but not necessarily 65% then the employer could go to arbitration. This again would help to ensure that all shareholders' interests were looked after and met in a rules based way.

The hon. member for Markham made a good point. Given the current tumultuous times in the capital markets, it would be of significant benefit to an employee or a retired individual receiving a pension to have that level of defined benefit. There would certainly be a tremendous peace of mind in that regard. I think even the Canada pension plan fund lost 15% of its value this year. I wish my portfolio had done that well. A 15% loss sounds pretty good at this juncture. The fact is that there is a benefit.

Going back over the last several years of bull markets, people started to forget that sometimes markets actually go down as opposed to going up all the time. I believe that had the hon. member for Markham still been an economist he would have foreseen this and would have demonstrated his impressions and foresight in the world of private sector bank economists.

Mr. John O'Reilly: His portfolio went up.

Mr. Scott Brison: That is good because his income went down when he was elected.

The fact is that there is a significant exposure for employers when they manage these funds. They have the downside risk of ensuring the funds are there for the employees and retirees. That being the case, the employees have the risk of employers taking funds from the pension and going bankrupt. We need to understand that there are significant risks on both sides which is why there needs to be an enforceable rules based system by which we can ensure fairness to all parties.

What disappointed me most about the government's arbitrary and unfair treatment of superannuates was when it chose to ignore the

rules based system as put forth in Bill S-3 and to pursue a policy that was short-sighted, unfair and consistent with the government raiding the EI fund and using funds designed for specific interests and to meet general revenue needs. I have seen a few public policy initiatives by the government that have disillusioned me but the treatment of superannuates' pensions at that point was something that united all opposition parties.

● (1805)

A good many members opposite agreed privately but of course they had to be whipped into shape at the appropriate times. Many of them were appalled even with their own government's heavy-handed approach to superannuates, people like RCMP officers and retirees, and people in the military. They served their country and were treated shabbily by the government in ignoring its own guidelines in the brief. I understand exactly why the hon. member would move the motion. I am sure he can remember the government's unfair and heavy-handed approach at that time.

It is very difficult for the government to expect private sector employers to follow guidelines set forth by legislation passed in the House, or as introduced in the Senate in the case of Bill S-3. How can we expect private sector employers to follow those guidelines the government ignores those guidelines when it is convenient? I think that would be a principle upon which all members in the House could agree. Certainly all opposition members would agree that the government ought to follow its own guidelines.

That trust was broken between the government and public sector employees at the time of its arbitrary theft of the funds from the superannuates pension. It was absolutely unacceptable and disillusioning. Every member of the House at that time heard countless appeals from superannuates, from people who had served this country. For the government to have turned its back on those people speaks of the unprecedented and near toxic levels of arrogance that emanate from government benches. It is only getting worse as members of the natural governing party feel increasingly ensconced in their feudal chairs.

Those issues can be dealt with through some of the work that is being achieved by the PC/DR Coalition and other opposition parties. As we bring together like-minded intelligent Canadians seeking better government in the interests of all Canadians, by the time the next election occurs there will be a competitiveness—

An hon. member: Take an Aspirin.

Mr. Scott Brison: The hon. member opposite suggested that I take an Aspirin. He should suggest that because his government has created nothing but headaches for Canadians, and nowhere are those headaches more pronounced than here on the opposition benches.

An hon. member: I would have suggested acetylsalicylic acid instead of Bayer Aspirin.

Mr. Scott Brison: There was a suggestion that I not take an Aspirin. My friend from the New Democratic Party suggested I take a generic brand, which brings me to our health minister who is everyone's favourite generic leadership candidate, but that is a different issue for another day.

Private Members' Business

There is so much to criticize about the government that it is difficult to maintain some level of attention. Perhaps we need generic Ritalin so that opposition members can focus.

We have to ensure that all governments follow rules based methodologies that are already in existence. Only then can we ensure that private firms follow those rules. Until the government is willing to play by those rules, I think the hon. member is quite right. I disagree with the specific notion that in an arbitrary sense all these surpluses should go back to the employees. However, we do need to ensure that governments are held accountable when they break their own rules in not ensuring fairness among the players, the employers, the employees and the retirees.

• (1810)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, just in case my colleagues across the way have lost sight of what we are talking about or the public has forgotten, because sometimes when a debate goes on other things come into it, I want to reinforce the motion by my colleague from Winnipeg Centre:

That, in the opinion of this House, any actuarial surplus in any pension plan or employee benefit plan should be considered the deferred wages and exclusive property of the employees and should only be used to improve the benefits of retirees or to provide a contribution holiday for employees.

A lot of Canadians believe this already happens. We have heard horror stories over the years where different employers raped the pension plans or went bankrupt and used the pension plans and the employees were left out in the wilderness in the snow. They were left going into their senior years with nothing.

Canadians think that governments addressed this issue and put in strong regulations to make sure this did not happen. A lot of people out there believe this has already happened. It is surprising that sometimes private members have to bring forward good motions and good pieces of legislation to address the downfall and the lacking of the government of the day and certainly, that is the case here.

My colleague from Winnipeg Centre has been involved with employees for a number of years. I am sure over time he has seen a number of cases where this has happened and the employer has utilized the funds.

I think of the situation of the Giant mine workers in Yellowknife and what they went through with their severance packages and pension plans when that mine went under. The government, and I believe it was under the auspices of the Department of Indian Affairs and Northern Development, took over the mine and literally gave nothing back to those employees. They were left out in the cold, which again is no surprise with the government.

It is crucial that we as private members bring these motions forward and remind the government of what is important. Canadians want to see values. They want to know that when they make investments in their pension plans, they will reap the benefits of those pension plans.

It is not just those employees that reap those benefits. Each and every one of us knows retirees in our communities. Often employees leave their employment with a pension that gives them \$10,000 a month. Mostly they are minimal pensions that give a person a living to some degree. Those people are interspersed in every small

community, village and town in the country. Those are the people who keep our local economies going. The more we can put into their pockets in their retirement, the better off we are as a country. That is what sustains our local economies and builds the country we know and we want to be proud of.

I am extremely pleased that my colleague has brought forward this motion. I want to support his motion. It has certainly been good listening to some of the members who have supported it. Obviously there are those who had some rather lacking comments about it for what I consider invalid reasons, but so be it. That happens in the House.

I reflected on some things as my colleague from the PC/DR Coalition was speaking. He talked about the need for the government to follow through on what it does so that the private sector will also follow through. It is tough ensure that the private sector will follow through on rules if the government does not do it.

Pay equity was the prime example. For 14 years public servants had to fight the government year after year after year. Literally hundreds of thousands, actually millions of dollars went to legal fees to fight the employees who were claiming rightful equity within the public service.

• (1815)

Finally the government was forced to come through with it. There were 14 years of legal fees and fighting. Through that whole process that was the example it was setting for private industry in Canada. It said that pay equity was not important, not worth diddly-squat. It made that fight in the private sector that much tougher.

It is crucially important that the government practice what it preaches. Otherwise it does not get the support and does not have the trust of the public.

There is another situation. I almost do not want to bring it up but I do so because it happened this afternoon and it bothered me that the government would take this stance. We talked about the cluster bombing in Afghanistan. Former foreign affairs minister Lloyd Axworthy is renowned internationally for his efforts to ban landmines. Canada sings its praises about banning landmines. We could not get the U.S. on side and never could, but Canada went out there and sang its own praises. All the Liberal members I am sure jumped up at numerous times and clapped and cheered because they were opposed to landmines.

Today we heard about cluster bombs. They will land and not explode, but they will explode later. They act just like landmines. We heard that we have to do that sometimes. No, we do not do it ever. If we do not believe there should be landmines, then we follow through all the time. It is absolutely inhumane to leave bombs sitting around for children to walk over. The small children are the ones who suffer the most.

The Acting Speaker (Mr. Bélair): I am sorry to interrupt. The hon. member has somewhat strayed from the subject we are debating now.

Private Members' Business

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, I have a couple of points to make in support of my colleague's private member's motion.

This brings home the point of the need for this type of legislation. I recently had a conversation with one of my legal colleagues. He was telling me about a current situation. I will change the facts a little so it is not clear about the specific case we were talking about. I do not wish to divulge any of the information he specifically gave me.

An hon. member: He is not the solicitor general.

Mr. Joe Comartin: That is right. I have to be careful of disclosing confidential information.

The situation is going to lead to a tragedy. We can see it coming. There was a financial difficulty in the corporate setting. The workforce was gradually reduced, leaving at the end of the day about 15 or 16 workers, long term employees who, when the administration of the company was about to close, entered into an agreement on the pension. In effect it was a severance package that allowed those people to retire somewhat earlier. It did not disclose that there was a substantial surplus.

The company over a period of several sales always allowed for the surplus to be an asset, in fact the only asset that was being traded. All of this was unbeknownst to the workers and the people who were receiving pension benefits on a monthly basis. That matter was sitting there until very recently. The company has applied to have the surplus paid out. This is going to provoke a major lawsuit. Those employees are going to insist that they somehow participate in this fund, which they fully expected they were going to be able to do.

This situation is multiplied across the country numerous times. All sorts of situations and incidents either are occurring now or are going to explode at some point in the future. There is a crying need for legislation to take care of this situation as soon as possible. Again I congratulate my colleague on the work he has done on this private members' motion. I encourage the government to take it into account.

• (1820)

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I want to participate very briefly in this debate to fully support the very important motion which my colleague from Winnipeg Centre has put before the House.

Over the years I have had a number of instances in my own constituency in which working people have had their pension surplus stripped away from them.

The purpose of this motion is to ensure that those surpluses, which in effect are a kind of deferred wage, should accrue to those who are entitled to them, that is, the working men and women in that particular place of employment.

I will not make a lengthy speech but I am pleased to rise in the House today to commend my colleague and to indicate that I fully support this very important motion.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank all the hon. members who saw fit to join in the debate and share their views with me.

I am disappointed that the views that I hold on the subject are not more widespread, but I am interested in the fact that the debate at least has been held here tonight. It is information that we can use. It is information that we will benefit from.

I have to restate our original position: in the event of an actuarial surplus where the assets of a fund exceed the liabilities of a fund, those reserves should be used only to benefit the beneficiaries in the monthly amount or benefits they receive.

It is a straightforward issue. We view contributions to a pension plan as part of the employee's wage packet. Employees get their hourly wage or monthly salary and their pension contribution. Whether it comes out of the employee's pocket or comes directly from the employer, it is part of the employee's wage. It is being held in trust for the employee for a specific purpose.

To take that money and use it for anything other than the understood purpose is a breach of trust. There have been too many cases. Recently there has been an overwhelming number of cases. The courts are clogged with these cases, which is exactly the reason why the House of Commons should give some guidance to the arbitrators or the courts or at least say to Canadians that we have thought about this and it is our opinion that this money should be viewed as the employees'.

I want to thank the member from the Bloc Quebecois who pointed out a very important recent ruling in that province. I sometimes envy the members of the Bloc and the residents of Quebec for their attitudes on these social issues. Judge Guy Arsenault recently ruled in the Singer case, which is called *Chateaufort v TSCO of Canada Ltd.*, formerly known as Singer Sewing Machine, and directed that the surplus assets of the plan must be returned to the plan members. He went back retroactively from 1966 to 1984, when a private company used to say that any time a plan showed a surplus it used that for its own purposes.

That was wrong. The judge in Quebec ruled that it was wrong and was backed up further in that province by the social solidarity minister. How I wish we had a social solidarity minister. The social solidarity minister of Quebec, André Boisclair, said that the government will amend bill 102, the law which addresses the way private pension plans are to be administered, because it flirted with the idea of giving employers the right to dip into private sector pension plan surpluses. Partly because of this court ruling, they have now been convinced to back off and get their hands off private sector pension plan surpluses.

We had a glaring example in the House of Commons. As a union leader I have seen glaring examples all across the country. We had the ultimate example in Bill C-78, when the federal government knew it was on shaky ground. It knew this was a debatable issue. It was not black and white. It was a grey area as to who really had the claim on the \$30 billion surplus of the public service pension plan.

Adjournment Debate

It therefore introduced a bill and by act of parliament said that it was the exclusive owner of all of that \$30 billion, that it was not negotiable, that it was not something the government was willing to share, that it was the government's, 100%. The government knew it was not absolutely right in that argument or it would not have had to introduce a special bill to do it. It would not have had to sacrifice Marcel Masse's career to make it his last act in parliament. The government could have done it legally.

We know it is a moral issue. It is a legal issue. It is an ethical issue. It is an issue of basic trust. When money is deducted from a person's paycheque for a specific purpose and is held in trust for them, even if it does grow it is still the exclusive property of the person on whose behalf it is being held. It should be used for nothing else but employee benefits. In our minds, it is a simple case.

• (1825)

[Translation]

The Acting Speaker (Mr. Bélair): 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.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, a few weeks ago, on October 3, I put a question to the Minister of Finance.

I asked him for an action plan to allow those who were affected by the events of September 11, those who lost their jobs and employees of small and medium size businesses, to be exempted, for example, from having to contribute for a month, in order to promote economic recovery by giving more money to small and medium size businesses and to workers so they could buy goods and services and get the economy going.

I also asked the minister to extend EI benefits by 10 weeks in the case of those workers who lost their jobs following the events of September 11.

That question was put on the day that U.S. President Bush made the same proposal to Americans, but with 13 weeks compared to the additional 10 weeks that we asked for.

The Minister of Finance replied the following about the surplus in the EI fund and I am quoting him because this is somewhat impressive:

—as the hon. member is well aware, the surplus in the EI fund is being used for health, for infrastructure programs, and for job creation.

The minister thus confirmed that, since workers only contribute to the employment insurance program up to an income of \$39,000, those who earn more than that amount did not do their fair share for health, infrastructure programs and job creation.

The minister confirmed the unfair nature of the employment insurance program when seen as a payroll tax instead of what it should be, which is a true employment insurance program.

On October 3 we also asked the minister to bring down a budget. In the end, the government agreed with us on this score.

However, with regard to employment insurance, we had a real cold shower. The human resources development minister had in her hands the unanimous report of the human resources development committee containing 17 recommendations to improve the employment insurance plan and ensure it would act as a real social safety net.

The recommendations would have enabled people to enjoy reasonable living conditions while out of a job and have a decent income during an acceptable number of weeks. It would have been easier for young people to qualify and, at the end of the day, it would have ensured that older workers who lost their jobs and could not re-enter the workforce had access to a fund that would have allowed them a decent living while waiting for their old age security cheques or Quebec pensions. However, the minister said no and stated emphatically that the current plan was adequate.

I believe that today, as we are facing an economic downturn, we have the proof that this plan will not be an adequate social security net. A lot of people are all losing their jobs at the same time.

The minister said that when the economy is thriving, only one out of five people receives benefits during the maximum number of weeks they are entitled to. I am sure that in the current context, it will not be one out of five but two out of five.

While the number of unemployed workers is increasing, the government is sitting on a few hundreds of millions of dollars it could give the provinces for manpower training. The federal government has control over this money and will not put it in the system.

Could the government not be swayed by our arguments and at long last take concrete steps without delay? I hope it will do so in the budget. But there are things it could do right away, tomorrow morning, in view of the surplus that has been accumulating this year again in the employment insurance fund, even with the economic downturn, to the tune of \$6 billion, which will be used for purposes other than what it was intended for.

I will conclude on that note and ask if in fact the government will accept our suggestions now that the downturn in the economy has unfortunately been confirmed.

• (1830)

Ms. Raymonde Folco (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, answering the question from the member opposite would take more than the four minutes allotted me because of its many sub-questions. However, I will try to give a more general answer.

Adjournment Debate

The first important thing to remember is that the Government of Canada has looked out for all Canadian workers and is still doing so. It keeps a careful eye on the EI system in order to ensure that it always meets their needs.

It is particularly important to take a prudent approach during an economic downturn such as the one we are now experiencing.

It must be recalled that during the course of its existence the EI fund has varied from deficit to surplus. During the last recession the surplus of \$2 billion in the EI fund at the end of 1990 quickly turned into a deficit of \$6 billion at the end of 1993. We do not wish to return to this state of affairs.

Over the last seven years the Canadian population has benefited from premium reductions. We have gone from \$3.07 in 1994 to \$2.25 in 2001. Increasing premiums, as was done during the last recession would, in our view, be the worst solution from an employment point of view.

In order to assess the current situation, the government has announced that it will review the methods used for setting premiums; changes deriving from that review will be implemented in 2004.

The Government of Canada is always worried when workers lose their jobs. In order to help Canadians who are laid off, the government has taken a balanced approach by providing income benefits and by encouraging people to work. We will use our programs to help workers take advantage of new job opportunities. As always, our goal is to help Canadian workers get back into the workforce.

I will also add that I am surprised that my colleague opposite would ask the government to apply the same standards as the United States with regard to social programs when we know that historically our social programs have always been a lot better than what the Americans have done. And it is still the case today.

For that reason, Human Resources Development Canada offers several types of support measures to employees and employers in cases of massive layoffs. That is what we have been doing since the events of September 11.

For example, we go to the premises of the employers or to mutually agreed upon places to help employees fill out their applications for benefits. Since we are on site, we can gather all the required information and process the applications more quickly.

I want to point out a very important aspect of our plan. Each month we correct the variable entrance requirement according to the latest unemployment figures. When the unemployment rate increases, Canadians need less hours to qualify for employment insurance and can receive benefits for a longer period.

Employment insurance benefits give Canadians who are laid off the time and resources they need to find another job that is appropriate for them.

Our follow up and evaluation process shows that the employment insurance plan produces the desired results.

•(1835)

Mr. Paul Crête: Mr. Speaker, it is true that the government controls the plan. It controls it to such an extent that it has accumulated \$34 billion in surpluses since 1993.

Today there is \$34 billion in the government coffers and there will be a further \$6 billion this year. With such an increase, and even being very cautious, it would take close to a decade to wipe out the surpluses. I would like the government to be aware of that and stop misleading us.

My question is straightforward. I understand that assessments are conducted every month. How is it then that in my area where the unemployment rate is on the rise, having reached 15.1% on October 8, recipients have seen their benefits cut by two weeks?

Claimants who used to be eligible for the minimum number of weeks, 32, are now only eligible for 30 weeks. Those who were eligible for 40 weeks are now down to 38 weeks. Is it not a blatant contradiction and an obvious example of the government's bad faith in this matter?

Ms. Raymonde Folco: Mr. Speaker, I cannot answer with regard to the particular situation that exists in my colleague's region. However, to say that we are misleading Canadians seems to be a gross exaggeration.

First of all, I would like to point out the fact that the required number of hours to qualify for employment insurance is adjusted each month, in each of the 58 employment insurance regions, according to the local unemployment rate.

I will say again to my colleague opposite that during the last election campaign, in November, we promised Canadians that we would eliminate the intensity rule. That was the second bill that we passed, Bill C-2, when we came back to the House.

I would also remind my colleague that, with the employment insurance plan, Canadians who lose their jobs receive 55% of their insurable earnings and low income families can receive up to 80% of their insurable earnings.

I do not have enough time to answer this question in the way I would like but those were a few of the points that could be discussed.

[*English*]

TERRORISM

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I rise this evening to follow up on a question I asked the Prime Minister last month following the terrorist attacks on the World Trade Center in New York, on the Pentagon and on the plane that went down over Pennsylvania on September 11.

At that time and since, we have condemned, in the strongest possible terms, these terrorist attacks as crimes against humanity and have called for those who were responsible to be brought to justice within the framework of international law and under the framework of the United Nations.

Adjournment Debate

Today in following up on this question, I want to point out that since October 7 we have witnessed in Afghanistan an illegal, immoral and profoundly destructive war. I rise this evening to plead with our government to end its support for this war and to end Canadian participation in it. This is a war which is creating many new innocent victims, innocent Afghani civilians. How many hundreds have already died as a result of this destructive war?

As well, we know that UN deminers have been killed. We know that Red Cross and the United Nations' warehouses have been bombed and destroyed. Hundreds of thousands of Afghani people are fleeing the terror of the bombing and the terror of the Taliban regime. Canada's response to those refugees has fallen far short.

I was particularly concerned to learn that Canada is involved in the military coalition with respect to the use of cluster bombs. The United States is dropping cluster bombs from B-52 bombers on Afghanistan. The shameful response of our Prime Minister to this is that we have to let American generals fight this war. He said that Canada would let American generals decide on the appropriate weapons.

As New Democrats, we are not prepared to agree with the use of cluster bombs, which have been condemned by the Red Cross. In fact, the Red Cross has called for cluster bombs to be banned. We are not prepared to say that Canada should be part of a military coalition that allows and sanctions the use of cluster bombs. In many cases they do not explode directly on impact and are like hundreds of little landmines.

Canada has led internationally in the campaign against landmines and yet this is a blatant contradiction when we are prepared to support the use of cluster bombs in Afghanistan. What is even worse is that cluster bombs, which are yellow in colour, are the same colour as the food packages. Now the Americans are warning Afghani civilians that they had better be careful because they might be picking up a cluster bomb instead of food.

For Heaven's sake, what has happened to Canada's historic role? Why will we not speak out for the rule of law and for bringing this under the umbrella of the United Nations, even at this late date, to end the suffering and the creation of more innocent civilian deaths? As the parents of one of those young men who died in the World Trade Center said during a memorial service, "Why on earth would we bomb Afghanistan and create even more innocent civilian victims? That doesn't bring back the life of my son".

I appeal for a peaceful solution; a solution of peace and justice.

● (1840)

Mr. John O'Reilly (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, I am sure we all join with the member in sympathizing with the innocent victims of the war, however we did not start this. Here I am on Halloween night doing a late show with the member for Burnaby—Douglas, so that in itself is worrisome to some people.

There seems to be a misconception in the House that supporting the United States and our allies in this campaign against terrorism means that we are failing to support international law and the United Nations. This is simply not the case.

All states have the right to individual and collective self-defence under article 51 of the United Nations charter. The United Nations Security Council has stated very clearly that the horrific attacks of September 11 constitute a threat to international peace and security.

With specific reference to the terrorist attacks on September 11, 2001, the individual and collective right of self-defence was expressly reaffirmed by the security council of the United Nations on September 12 and September 28 through security council resolutions 1368 and 1373 respectively.

Consequently, rather than acting outside the UN framework and international law, the United States, Canada and its other allies are taking action with the support of international law, the United Nations and the United Nations charter.

Canada has informed the security council that it is acting militarily in accordance with article 51 of the UN charter. One of the ways in which Canada is working together with its allies in this effort is by committing 2,000 Canadian forces personnel to the campaign against terrorism.

Our contribution includes one Airbus, two Aurora maritime patrol, three Hercules transport aircraft, a component of our Joint Task Force Two special forces and a naval task force group consisting of four of Her Majesty's Canadian ships, plus another ship in a U.S. formation, all told over 1,000 sailors.

These deployed forces could be tasked and are capable of performing a wide range of missions, including surveillance, transportation, humanitarian aid, maritime operations and security and escort duties.

The international military coalition, to which Canada belongs, has a simple, clear and just mandate to defend ourselves against terrorism. Within this mandate, we are working to identify the terrorist threat, disrupt and destroy its networks and bring its organizations to justice.

The minister has made it very clear that terrorists and the Taliban regime are targets of the current campaign and that the Afghan people most certainly are not. The government is committed to helping the Afghan people and to this end has already allocated \$16 million in humanitarian aid.

While the military contribution is an important aspect of the campaign against terrorism, it is by no means the only aspect. We are also contributing diplomatic, humanitarian, economic, political and military aid with the single objective of creating a safer more secure world, safe from terrorist attacks like those we witnessed on September 11.

We are acting with the sanctions of the UN and within international law so that we can continue to be a country and a world that is a safe place in which to bring up our children and our children's children.

● (1845)

Mr. Svend Robinson: Mr. Speaker, I wish the United States in particular had thought a bit more about the safety of the world when it financed and supported the Mujahedeen and Osama bin Laden in the 1980s. We are now, unfortunately, reaping some of the consequences of those decisions.

I note as well that the member talked about not targeting Afghani civilians. The fact is that we have once again that terrible concept of collateral damage. We saw it in Kosovo and in Iraq where we continue to see it.

I ask the parliamentary secretary very specifically to respond to the fact that the Red Cross has called for the banning of cluster bombs. Canada has contributed men and women to the coalition, and we certainly wish them a safe return, but what role are we playing with respect to the decisions around the deployment of cluster bombs in Afghanistan?

Mr. John O'Reilly: Mr. Speaker, Canada is acting strictly in accordance with article 51 of the United Nations charter and article 5 of the North Atlantic treaty and collectively exercising the right of self-defence.

Adjournment Debate

The international military coalition, to which Canada belongs, has a simple, clear and just mandate to defend ourselves against terrorism. Within this mandate, we are working to identify the terrorist threat, disrupt and destroy its networks and bring its organizations to justice for the good of the free world.

[*Translation*]

The Acting Speaker (Mr. Bélair): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

CONTENTS

Wednesday, October 31, 2001

STATEMENTS BY MEMBERS

| | | | |
|--------------------------------------|------|-----------------------------------|------|
| Canadian Bankers Association | | | |
| Mr. Cannis | 6759 | Mr. Chrétien | 6763 |
| CIDA | | Mr. Duceppe | 6763 |
| Mr. Obhrai | 6759 | Mr. Chrétien | 6763 |
| National 4-H Week | | Ms. Lalonde | 6763 |
| Mrs. Ur | 6759 | Mr. Eggleton | 6763 |
| Student Employment | | Ms. Lalonde | 6763 |
| Mr. Paradis (Brome—Missisquoi) | 6760 | Mr. Eggleton | 6763 |
| Craig Oliver | | Ms. McDonough | 6764 |
| Mr. Tirabassi | 6760 | Mr. Chrétien | 6764 |
| Aboriginal Affairs | | Ms. McDonough | 6764 |
| Mr. Elley | 6760 | Mr. MacAulay | 6764 |
| Ecological Reserves | | National Security | |
| Mr. Binet | 6760 | Mr. Clark | 6764 |
| UNICEF Day | | Mr. Eggleton | 6764 |
| Mr. Dubé | 6760 | National Defence | |
| Gilles Cuerrier | | Mrs. Wayne | 6764 |
| Ms. Folco | 6761 | Mr. Eggleton | 6764 |
| Education | | Terrorism | |
| Mr. Rajotte | 6761 | Mr. Hill (MacLeod) | 6764 |
| Persons with Disabilities | | Mr. Chrétien | 6764 |
| Mr. Proulx | 6761 | Mr. Hill (MacLeod) | 6765 |
| Dick Martin | | Mr. Eggleton | 6765 |
| Ms. McDonough | 6761 | Finance | |
| Town of Mount Royal | | Ms. Picard | 6765 |
| Mr. Bachand (Saint-Jean) | 6761 | Mr. Martin (LaSalle—Émard) | 6765 |
| UNICEF | | Ms. Picard | 6765 |
| Mr. LeBlanc | 6761 | Mr. Martin (LaSalle—Émard) | 6765 |
| National Security | | Lumber Industry | |
| Mr. Doyle | 6762 | Mr. Duncan | 6765 |
| | | Mr. Pettigrew | 6765 |
| | | Mr. Duncan | 6765 |
| | | Mr. Pettigrew | 6765 |
| | | Mr. Paquette | 6765 |
| | | Mr. Pettigrew | 6766 |
| | | Mr. Milliken | 6766 |
| | | Mr. Paquette | 6766 |
| | | Mr. Pettigrew | 6766 |
| | | Anti-Terrorism Legislation | |
| | | Mr. Toews | 6766 |
| | | Ms. McLellan | 6766 |
| | | Mr. Toews | 6766 |
| | | Ms. McLellan | 6766 |
| | | Pyrite | |
| | | Ms. Thibeault | 6766 |
| | | Mr. Gagliano | 6766 |
| | | Solicitor General | |
| | | Mr. Blaikie | 6766 |
| | | Mr. MacAulay | 6766 |
| | | Lumber Industry | |
| | | Mrs. Desjarlais | 6767 |

ORAL QUESTION PERIOD

National Security

| | |
|--------------------|------|
| Mr. Day | 6762 |
| Mr. Chrétien | 6762 |
| Mr. Day | 6762 |
| Mr. Chrétien | 6762 |
| Mr. Day | 6762 |
| Mr. Milliken | 6762 |
| Mr. Chrétien | 6762 |
| Mr. Sorenson | 6762 |
| Mr. MacAulay | 6763 |
| Mr. Sorenson | 6763 |
| Mr. Chrétien | 6763 |

Terrorism

| | |
|-------------------|------|
| Mr. Duceppe | 6763 |
|-------------------|------|

| | |
|--|------|
| Mr. Milliken | 6767 |
| Mr. Pettigrew | 6767 |
| Anti-Terrorism Legislation | |
| Mr. MacKay | 6767 |
| Mr. Chrétien | 6767 |
| The Economy | |
| Mr. Brison | 6767 |
| Mr. Martin (LaSalle—Émard) | 6767 |
| Mr. Epp | 6767 |
| Mr. Chrétien | 6767 |
| Mr. Epp | 6767 |
| Mr. Martin (LaSalle—Émard) | 6767 |
| St. Hubert Technobase | |
| Ms. Venne | 6768 |
| Mr. Cauchon | 6768 |
| Ms. Venne | 6768 |
| Mr. Cauchon | 6768 |
| The Economy | |
| Mr. Solberg | 6768 |
| Mr. Martin (LaSalle—Émard) | 6768 |
| Mr. Solberg | 6768 |
| Mr. Martin (LaSalle—Émard) | 6768 |
| Lumber Industry | |
| Mr. Savoy | 6768 |
| Mr. Pettigrew | 6769 |
| National Defence | |
| Mr. Benoit | 6769 |
| Mr. Eggleton | 6769 |
| Mr. Benoit | 6769 |
| Mr. Eggleton | 6769 |
| Airline Industry | |
| Mr. Tremblay (Lac-Saint-Jean—Saguenay) | 6769 |
| Mr. Collenette | 6769 |
| Points of Order | |
| Oral Question Period | |
| Mr. Toews | 6769 |
| ROUTINE PROCEEDINGS | |
| Committees of the House | |
| Foreign Affairs and International Trade | |
| Mr. Pettigrew | 6770 |
| Government Response to Petitions | |
| Mr. Regan | 6770 |
| Yukon Act | |
| Mr. Nault | 6770 |
| Bill C-39. Introduction and first reading | 6770 |
| (Motions deemed adopted, bill read the first time and printed) | 6770 |
| Committees of the House | |
| Foreign Affairs and International Trade | |
| | 6770 |
| Fisheries and Oceans | |
| Mr. Easter | 6770 |

| | |
|---|------|
| Aboriginal Affairs, Northern Development and Natural Resources | |
| Mr. Bonin | 6770 |
| Public Accounts | |
| Mr. Williams | 6770 |
| Procedure and House Affairs | |
| Mr. Adams | 6770 |
| Motion | 6770 |
| (Motion agreed to) | 6770 |
| Business of the House | |
| Mr. Boudria | 6770 |
| Motion | 6770 |
| (Motion agreed to) | 6771 |
| Petitions | |
| Gasoline Additives | |
| Mrs. Ur | 6771 |
| The Media | |
| Mr. Grewal | 6771 |
| Genetically Modified Foods | |
| Mr. Easter | 6771 |
| Human Rights | |
| Mr. Breitzkreuz | 6771 |
| Terrorism | |
| Mr. Breitzkreuz | 6771 |
| Human Rights | |
| Mr. Jaffer | 6771 |
| Kidney Disease | |
| Mr. Adams | 6771 |
| Questions Passed as Orders for Returns | |
| Mr. Regan | 6771 |
| Questions on the Order Paper | |
| Mr. Regan | 6772 |
| Motions for Papers | |
| Mr. Regan | 6772 |

GOVERNMENT ORDERS

| | |
|--|------|
| Air Canada Public Participation Act | |
| Mr. Collenette | 6772 |
| Bill C-38. Second reading | 6772 |
| Mr. Moore | 6774 |
| Mr. Laframboise | 6777 |
| Mrs. Desjarlais | 6780 |
| Ms. Meredith | 6781 |
| Mrs. Wayne | 6783 |
| Mr. Obhrai | 6783 |
| Mr. Heam | 6785 |
| Mr. Moore | 6787 |
| Mrs. Wayne | 6787 |

ROUTINE PROCEEDINGS

| | |
|--------------------------------|------|
| Committees of the House | |
| Library of Parliament | |
| Ms. Catterall | 6788 |
| Motion | 6788 |
| (Motion agreed to) | 6788 |

GOVERNMENT ORDERS

Air Canada Public Participation Act

| | |
|--|------|
| Bill C-38. Second reading | 6788 |
| Mr. Lunn | 6788 |
| (Motion agreed to, bill read the second time and referred to a committee)..... | 6788 |

PRIVATE MEMBERS' BUSINESS

Employee Benefits

| | |
|-----------------------------------|------|
| Mr. Martin (Winnipeg Centre)..... | 6789 |
| Motion..... | 6789 |
| Mr. McCallum..... | 6791 |
| Mr. Peschisolido..... | 6792 |
| Mr. Perron..... | 6792 |

| | |
|-----------------------------------|------|
| Mr. Brison..... | 6793 |
| Mrs. Desjarlais | 6794 |
| Mr. Comartin..... | 6795 |
| Mr. Robinson..... | 6795 |
| Mr. Martin (Winnipeg Centre)..... | 6795 |

ADJOURNMENT PROCEEDINGS

Employment Insurance

| | |
|-----------------|------|
| Mr. Crête | 6796 |
| Ms. Folco..... | 6796 |

Terrorism

| | |
|-------------------|------|
| Mr. Robinson..... | 6797 |
| Mr. O'Reilly..... | 6798 |

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