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Monday, October 21, 2002

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, October 21, 2002

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

● (1105)

[*Translation*]

EXPORT AND IMPORT OF ROUGH DIAMONDS ACT

Hon. Lucienne Robillard (President of the Treasury Board, Lib.) moved That Bill C-14, an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds in order to meet Canada's obligations under the Kimberley Process be read the second time and referred to a committee.

Mr. Benoît Serré (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, I am pleased to speak today to Bill C-14, which will make it possible to control the export, import and transit across Canada of rough diamonds and will establish a certification scheme for the export of rough diamonds in compliance with the Kimberley process internationally.

Before discussing the bill itself, I would like to give a brief overview of the steps that have been taken by Canada and the international community in connection with the rough diamond trade. The international community is still greatly concerned about the lilnk between the illegal rough diamond trade and the financing of armed conflicts, particularly in Angola, Sierra Leone and the Democratic Republic of the Congo.

Although blood diamonds constitute only a small part of the international diamond trade, they do have considerable impact on the peace, security and sustainable development of the countries involved.

[*English*]

With leadership from Canada, the United Nations has taken several initiatives to address this problem. In 1998 the Security Council imposed sanctions prohibiting the import of rough diamonds from Angola that were not controlled through an official certificate of origin scheme.

During its term on the UN Security Council in 1999 and 2000, Canada played a key role as chair of the Angola sanctions committee in pressing for measures to strengthen implementation of these sanctions. These measures laid the foundation for the adoption of additional sanctions on Sierra Leone which placed similar restrictions on rough diamond imports from that country.

Sanctions were also imposed on Liberia, given its role as a channel for illicit diamonds from Sierra Leone.

[*Translation*]

The UN has shown an ongoing interest in the blood diamond issue. In December 2000, and again in March 2002, the United Nations General Assembly passed resolutions, of which Canada was one of the sponsors, calling for the creation of an international rough diamond certification program, in order to tighten up measures to control the diamond trade and prevent blood diamonds from getting into legitimate markets.

The G-8 is also keenly interested in this issue. At the July 2000 Okinawa summit, Prime Minister Jean Chrétien, along with the leaders of the other G-8 countries—

The Acting Speaker (Mr. Bélair): A member of Parliament cannot be referred to by name. I know that the hon. member for Timiskaming—Cochrane is a veteran and will not make that mistake again.

Mr. Benoît Serré: Mr. Speaker, I apologize for doing that. At the Okinawa summit, in July 2000, the Prime Minister, along with the leaders of the other G-8 countries, stressed that the trade in conflict diamonds is a priority for G-8 members in the prevention of armed conflicts.

On that occasion, G-8 leaders asked that the possibility of formulating an international agreement on the certification of rough diamonds be considered.

At the June 2002 Kananaskis summit, under the G-8 action plan for Africa, the leaders reiterated their support for the international efforts made to identify the link that exists between the development of natural resources and conflicts in Africa, including the monitoring measures developed under the Kimberley process led by South Africa.

[*English*]

My colleague, the hon. member for Nepean—Carleton recognized early on that the illegal diamond trade meant death and suffering for many people on the African continent.

This is an issue that he not only took to heart but acted upon. As Canada's special envoy for Sierra Leone he informed us of the situation in two reports: “The Forgotten Crisis” and “Sierra Leone, Danger and Opportunity in a Regional Conflict”.

● (1110)

[*Translation*]

One year ago, on October 17, 2001, this hon. member got the attention of the House by introducing Bill C-402, an Act to prohibit the importation of conflict diamonds into Canada. In doing so, the hon. member recognized that such trade had to stop because it was a threat to human rights, political stability, economic development, peace and security in many regions, and also a threat to the legitimate trade in diamonds in countries such as Botswana, South Africa and, of course, Canada. I congratulate the hon. member for his work in this area.

[*English*]

In Canada the diamond industry is a relatively new industry. Our first commercial deposit was discovered in the Northwest Territories in 1991. The diamond mining industry is growing and by 2011 it is expected that Canada will rank third globally, in terms of the value of annual rough diamond production, after Botswana and Russia.

[*Translation*]

BHP Billiton has been operating the Ekati mine since 1998. This mine is located 300 kilometres northeast of Yellowknife. Operations at the Diavik mine, which is located near the Ekati mine, should begin in 2003, while two other mines in that region, more specifically in the Northwest Territories and in the western part of Nunavut, could begin operations by 2007. The annual production for these mines could reach $1.6 billion and operations at these sites could create 1,600 direct jobs.

The major exploration activities going on indicate that other mines could begin operating in the Northwest Territories and Nunavut. Exploration is also going on in Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Newfoundland and Labrador; these operations could also lead to the opening of diamond mines in these provinces.

In addition to the mining industry, there is a small diamond cutting and polishing industry in Yellowknife and in Quebec's Gaspe region. Other polishing and jewellery making facilities are located in various regions of Canada.

The diamond mining, cutting and polishing industry depends on access to export markets, which in turn depend on Canada's participation in the Kimberly process.

[*English*]

The Kimberley process is the principal international initiative established to develop practical approaches to the conflict diamond problem. Launched in May 2000, the process was initiated by several southern African countries in response to growing international pressure to address peace and security concerns as well as to protect several national economies in the sub-region, including Namibia, Botswana and South Africa, that depend on the diamond industry.

The process, which is chaired by South Africa, now includes 48 countries involved in producing, processing, importing and exporting rough diamonds. These countries account for 98% of the global trade in and production of rough diamonds and they include all of Canada's major diamond trading partners. For example, the United States, the European Union, Japan, Russia, Israel and India are all participating in the Kimberley process.

[*Translation*]

Canada participated in the Kimberley process from the start. Nine full meetings and two ministerial meetings held as part of this process resulted in detailed proposals concerning an international certification scheme for rough diamonds. In March 2002, Canada hosted the latest meeting of the Kimberley process, at which time a consensus was achieved on the proposals for a scheme.

A technical meeting on the implementation of the process was held in September in Pretoria, South Africa. Participating countries demanded that the certification scheme be simultaneously put in place by the end of 2002. Given the tight timeframe, the government made drafting and passing this bill a priority.

At the next ministerial meeting scheduled for November 5, 2002, in Switzerland, participating countries will be asked to examine progress to date, commit to implementing the scheme in their respective countries and setting a specific effective date. The end of 2002 should be maintained as the deadline.

The international certification scheme includes several key commitments, one of which provides for all rough diamonds imported into Canada or exported to other countries to meet the certification scheme criteria. There are also trade restrictions whereby trading rough diamonds with non-participating countries is prohibited.

Implementing the scheme in Canada required developing rough diamond certification procedures and controls on imports and exports. The legislative authorities provided in Bill C-14 must therefore be put in place.

● (1115)

[*English*]

The proposed bill will provide the authority to verify that natural rough diamonds exported from Canada are non-conflict. It also will give the authority to verify that every shipment of natural rough diamonds entering Canada is accompanied by a Kimberley process certificate from the exporting country, again certifying that the diamonds have a non-conflict source.

Consistent with the scheme and other country's processes, the bill is designed to ensure that natural rough diamonds in transit from one country to another across Canadian territory will be limited to trade between Kimberley process participants. Canada will not be a conduit for conflict diamond trade.

Passage of Bill C-14 will put in place all of the authorities required for Canada to meet its commitment under the international Kimberley process. The early passage of Bill C-14 will ensure that these authorities are in place by year end, when the process is planned for international implementation.

[*Translation*]

To conclude, I seek the support of all members of this House so that Bill C-14 can move forward quickly, to enable Canada to implement the Kimberley process together with its world partners.

[*English*]

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, it actually gives me pleasure to rise today to discuss Bill C-14, the government's answer to the Kimberley process.

Bill C-14 is an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds in order to meet Canada's obligations under the Kimberley process.

A number of people might ask why Canada needs the legislation. Those who are unaware, Canada is now heavily involved in the diamond mining industry. Why Canada requires legislation along these lines is that without legislation Canada is not in a legal position to meet all the requirements of the Kimberley process certification scheme.

Under the legislation the Minister of Natural Resources will have the authority to do the following: issue a Kimberley process certificate, KPC, for exports; verify the information in an exporter's application for a certificate for participating in an import shipment, including the important KPC documents; delegate the above administration practices to any person; make regulations prescribed in the records to be retained and presented by exporters and importers; the form and containment of the KPC and KPC application and the requirements of a tamper resistance container; and designate enforcement officers and establish that they process the KPC applications.

The Kimberley process was originally initiated and developed by South Africa in May 2000. It is an international certification scheme for rough diamonds to prevent conflict diamonds or, as some of us know them, blood diamonds, from entering legitimate markets. It was chaired by the government of South Africa. The process brought together 48 countries, including Canada and the United States, along with a number of other countries such as Central African Republic, China, Cyprus, Czech Republic, India, Switzerland, Tanzania, Thailand, Ireland, Italy, Luxembourg and the Netherlands. There are many countries that have the same concern that we do in regard to these diamonds.

What exactly is the Kimberley process? The Kimberley process was internationally established to break the link between the trade in rough diamonds or blood diamonds and armed conflict, particularly in Angola, Sierra Leone and the Democratic Republic of Congo.

We may wonder whether the trade in conflict diamonds is large. No, it is not really right now because conflict diamonds constitute only a small percentage of the diamond trade. However they still have a very devastating impact on peace, security and sustainable development in the affected countries. Has the trade in conflict diamonds not been eliminated? As I said, there is much less trade today but it still affects several African countries.

Why has Canada's position on the issue of conflict diamonds been international? As I said, we are now finding diamonds in Canada and we will be part of this process. We have been a leader in instituting some control in this.

The government's answer to our concern is Bill C-14. It is not an extensive bill but it answers a lot of the questions. As we go through the summary of the bill, it is the government's response to efforts among diamond importing and exporting nations to certify that rough diamonds on the move are sealed in tamper proof containers and certified as not being used to finance conflict, or so-called blood diamonds. Although such diamonds are supposedly decreasing in number, the threat to the marketing image of gem quality diamonds as well as the economics of several African nations remains serious.

Time constraints are tight due to the target of this November for all 48 to 50 participating nations to commit to national implementation and December 31 for simultaneous implementation world wide.

● (1120)

Bill C-14 is accepted by BHP Billiton Diamonds Inc. which operates the Ekati Diamond Mine 300 kilometres northeast of Yellowknife. It also is endorsed by the mining association. The mine employs 650 people and has offices in Kelowna and Vancouver, British Columbia; Yellowknife, as well as Antwerp; Belgium; and London, England.

Other companies expect their mines in the territories to be operational by 2007 with the annual production forecast at $1.6 billion and direct payrolls of 1,600 people plus 3,200 indirect jobs. Additional diamond exploration in Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Newfoundland and Labrador has not yet yielded economically viable sites but exploration is still ongoing.

What we are talking about today impacts a large working force here in Canada with the potential for it to go a lot higher. I only refer to this to show the justification for Canada becoming involved in the Kimberley process. Some of the cutting and polishing is centred at Yellowknife and Quebec's Gaspé Peninsula. Training programs, especially for aboriginal workers, are still in process with resulting job skills being among the benefits to northern residents. This is an industry that was very much needed in the northern parts because unemployment was very high up there.

All Canadian diamonds are first exported to London and Antwerp for sorting. We also import diamonds from 44 countries, including Israel, India, the United States, Belgium and the U.K.. In terms of value of our diamond imports, the top five are those countries.

The multiple stages of handling from international mining through sorting, polishing, cutting et cetera are major reasons for the Kimberley process agreement to ship these valuable products in tamper proof containers with a certificate attached to prevent inclusion of blood diamonds.

Each certificate should bear the title, Kimberley process certificate. It should also include the Kimberley process logo and the following statement "the rough diamonds in the shipment have been handled in accordance with the provisions of the Kimberley process international certification scheme for rough diamonds".

The country of origin should also be included on the certificate for shipment of parcels of unmixed. The certificate may be issued in any language provided that an English translation is incorporated. Also included would be unique numbering with the alpha 2 country code according to ISO 3166-1. It should indicate that the package is tamper and forgery resistant; the date of issuance; the date of expiry; the issuing authority; identification of exporter and importer; the carat, the weight and the mass; the value in U.S. dollars; the number of parcels in the shipment; relevant harmonized commodity description and coding system; and validation of the certificate by exporting authority.

There are also some optional elements with regard to the certificate. It may also include characteristics of a certificate, for example, as to form and security elements; and quality characteristics of the rough diamonds in the shipment. The recommended import information should also have the following elements: country of designation; identification of importer; and authentication by approving authority. Rough diamonds may be shipped in transparent security bags. The unique certificate number may be replicated on the container.

The weakest link in Bill C-14 and the process that Canada is taking in answering the Kimberley process remains the initial certification, especially when performed by officials and countries widely reputed to suffer from an epidemic of corruption, notably some of the African countries. No independent, international agency will verify or even spot check the certification. This becomes another problem. It should be incorporated into the bill.

Bill C-14 requires that Canadians ensure the certificate provides accurate information to company officials and that individual directors are liable.

● (1125)

We come to a point that I hope can be addressed in committee along with a couple of other concerns. There is no liability under clause 24 of the bill for investigators who enter on private property. We in North America have strong feelings toward private property and what we own.

Clause 24 reads:

> When exercising their enforcement powers, investigators may enter on and pass through or over private property without being liable for damage to property or infringement of rights relating to property.

The clause raises some concern with me, particularly with regard to no liability if the company and the people who are under investigation are proven innocent and damage is done to the property. Surely with our environmental codes and standards there has to be some liability. If a property was disrupted the company would be on the hook 100 per cent. I think that clause has to be looked at very closely.

Another point is that prosecutions under Bill C-14 can only be instituted within three years from the time the complaint arose.

I am tougher on this point. Due to the significant degree of international cooperation that is likely to be involved and the fact that human lives are at risk with the trade in blood diamonds, I would suggest that a time limit of seven years is not unreasonable. I say that because the lines of communication when dealing with other countries and ourselves can be a hindrance. A company's reputation will already be damaged by the laying of charges. The best way to minimize such impact would be to obtain convictions and not allow the guilty parties get away with the crimes due to paperwork technicalities that are bound to arise when dealing between countries.

When we deal with financial costs, seized diamonds can only be held with the consent of the owner. An improvement would be to authorize holding such diamonds until the case is resolved. That way it would be guaranteed that possible fines would be paid. We know of a number of cases where fines have been levied against companies or individuals but by the time it comes around to collecting the fee the individual or company has disappeared or the finances have all gone up in smoke. Those are areas we have to look at. Is the process needed in Canada? Definitely.

These concerns will have to be addressed in committee to our satisfaction. Overall the legislation is long overdue.

● (1130)

[*Translation*]

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I am pleased to have this opportunity to speak in connection with Bill C-14, an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds in order to meet Canada's obligations under the Kimberley process.

In order to meet its international commitments, Canada had to create a document for implementation of the Kimberley process within its territory. This will help it assume its role on the international scene, as both leader and stakeholder.

The need for the Kimberley process has been demonstrated. It was high time, as far as I am concerned, for steps to be taken, if for no other reason than humanitarian imperatives. The far too numerous victims of the crimes perpetrated with the proceeds of trade in conflict diamonds may not be able to rejoice, but at least this is a step in the right direction.

Predators will now find it more difficult to use diamonds as currency. We must not let down our guard, however, for attenuation of symptoms does not mean that the causes of the problems, such as poverty and political instability, have been eliminated.

It is necessary, therefore, for the federal government to make a firm and resolute commitment to developmental aid. It must waste no time in injecting the necessary funds to help overcome the sufferings of the populations experiencing the problems which have made the Kimberley process necessary.

In certain cases, particularly Liberia and Sierra Leone, there needs to be funding provided to track diamonds from their source to prevent people from thwarting the procedures and embargos decreed by the UN.

Keep in mind that Liberia, a country that produces very few diamonds, trades in them and uses the proceeds to purchase arms and to help rebel military factions in Sierra Leone.

In providing the money needed to track diamonds to their source, the government wins on two fronts: first, by meeting the objectives of the Kimberley process, which are to protect human rights in the countries involved and protect the diamond industry; and second, by improving its performance when it comes to its contributions to international assistance.

Let us not forget that Canada contributes well below the standard set by the United Nations, which is 0.7% of gross domestic product. Our contribution was only 0.23% for 2001. Are we less capable than Denmark, for example, which contributes more than 1% of GDP to foreign aid, or Norway, or the Netherlands, to name but a few? We rank 18th in the world. Given our resources, this is nothing to be proud of.

However, we know quite well that when it comes to this issue, it has been economic considerations that have sparked research for economic solutions. Indeed, once the role of diamonds in the conflicts, along with the underlying reasons, were identified—for the most part by non-governmental organizations—the diamond industry could no longer ignore the problem, nor could it shirk its responsibilities. The industry itself also had to come up with a sustainable solution for the international community.

However, we acknowledge that the measures that were taken, given the context, were appropriate, since the diamond industry is a very important economic lever for developing countries, as well as here at home.

Quebec is one of the top mining producers in the world. There remains much land to be explored and there is a great deal of hope in terms of the prospects: new occurrences of gold, diamonds and other metals are discovered every year.

● (1135)

In terms of diamonds, to mention but a few of the possibilities identified by renowned geologists, northwestern Abitibi is a region where kimberlite is likely to be found, as is the Témiscamingue region; Quebec's near north also has a significant kimberlite potential over large areas; and the environment in the western part of New Quebec is very conducive to the presence of kimberlite.

Just last Friday, October 18, the American firm Diamond Discoveries announced it had discovered numerous kimberlite dykes north of Schefferville. I have here a newspaper clipping to that effect. Schefferville is in my riding, some 450 kilometres north of Sept-Îles, which goes to show how large my riding is.

Let me read to the House this short article recently published in *Le Nord-Est Plus*, a newspaper from my riding which has a large readership and is very informative.

The headline reads “Mineral Discoveries North of Schefferville”. The article reads as follows:

> Months after acquiring permits for the exploration of 50,000 acres—this is a huge area—of property in the Torngat Mountain region, northeast of Schefferville, the American company Diamond Discoveries just announced the discovery of numerous kimberlite dykes.
>
> In August, this American company teamed up with Toronto-based Tandem Resources; the latter acquired a 40% interest in an investment of several millions in Lac Castignon. Diamond Discoveries had previously acquired the above-mentioned area following preliminary work that yielded results encouraging enough to warrant a further expansion of the area to explore.
>
> On this new property, Prospecting Geophysics, which is in charge of the exploration program, has already detected diamond indicators. Specimens totalling 450 pounds were shipped to the lab in Val-d'Or for further examination.
>
> A magnetic survey is being performed by a team of eight with two senior geologists.

All this to say that it is looks very good. Even in my riding, in the North, we have incomparable resources.

As we can see, mineral prospecting and exploration open up some extremely interesting possibilities and hold out a promising future. Hence the need to address immediately all processes and problems that may tarnish the long-term reputation of the diamond industry in Canada.

This involves the economic future of many regions and communities, not to mention the stone cutting and polishing industries, which are beginning to flourish in Quebec. If we want Montreal to be a world diamond capital, we need to first make sure that the diamond industry will last.

As for Bill C-14 per se, we have a few questions regarding clause 17 on in-transit diamonds. Clause 17(1) states that “An investigator may seize in-transit rough diamonds if they are not accompanied by a Kimberley Process Certificate—”.

What happens to diamonds that are not seized? We understand that seizure is a direct prevention and implementation measure under the process to stop unauthorized exporters and more specifically, exporters dealing in blood diamonds. If they are not seized, these diamonds will remain in the system and will continue on their way without any problems.

● (1140)

As a result, the objective of the process is out of reach.

As a transit country in this type of situation, what is Canada's position? How does this affect our image and credibility in the context of the process?

In closing, the Bloc Quebecois supports the bill for the following reasons: the numerous atrocities perpetrated with blood diamond money are very well documented.

We must act in order to put a stop to this. Without such a process, countries that purchase diamonds, including Canada, fund the crimes that take place in these countries.

Canada's social and moral responsibilities require that we move ahead with this bill. This is what I would consider a quite modest step to deal with the terrible situation in the countries in question, which I mentioned earlier. Canada must be consistent and increase its development assistance and its support to help Africa and its more fragile countries.

Such action will also protect the diamond industry from the terrible fallout from the inappropriate use of revenues generated by the industry.

We await an answer to our questions regarding clause 17 of the bill. This may be but a small flaw, but it is a flaw nonetheless.

[*English*]

The Acting Speaker (Mr. Bélair): Colleagues, as of the next speaker, speeches will be 20 minutes in length followed by a 10 minute question and comment period.

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased to rise on behalf of my colleagues in the New Democratic Party to join with members from all sides of the House in supporting the principle of Bill C-14.

My colleagues and I have long called on the Government of Canada to take the steps that are necessary to ensure Canada's participation in the Kimberley process, which is an international certification scheme that aims to break the link between armed conflict and the trade in rough diamonds. We know all too well that civil wars in Angola, Liberia and the Democratic Republic of Congo are currently being fueled by the export of conflict diamonds. Rebel groups in Sierra Leone were also exporting diamonds to finance their military campaigns, although fortunately this conflict now appears to be over.

This morning I do want to pay particular tribute to the member for Nepean—Carleton for the work he has done, the tireless efforts that he has put into making this important legislation possible. I know that he has travelled to Sierra Leone on a number of occasions and has come back to Canada and made his colleagues and the public generally more aware of the concerns in this area. I think all of us owe a debt of gratitude to the member for Nepean—Carleton for the work he has done.

I will not be speaking at length as others have given some of the history of this process. We know that a number of dedicated NGOs have also been very much involved in making this important advance possible. Here I want to single out Partnership Africa Canada, which has really done an outstanding job. As Canadians, I think we should be very proud of the work it has done at the international level to help make this important Kimberley process viable. It has been working since 1996, along with another NGO called Global Witness, to conduct research on the issue and also to come up with an international mechanism to help address the problem. We heard earlier about UN resolution 1173, calling for the embargo of conflict diamonds from Angola. This has really been a partnership of NGOs, the diamond industry itself, political leaders and the United Nations working together to determine how we can actually track and stop the flow of these conflict diamonds and the resources that come from them from funding bloody struggles.

In May 2000, the Government of South Africa initiated the Kimberley process at an international meeting to discuss the establishment of an international system to monitor the trade in diamonds. Later that year in December, it was Canada that co-sponsored UN General Assembly resolution 55/56, which envisioned the creation of an international certification scheme for rough diamonds. This resolution was adopted unanimously by the General Assembly.

Here I want to point to the role that was played by our then ambassador to the United Nations, Ambassador Bob Fowler. Members of the House may recall that Bob Fowler made very strong and eloquent speeches on a number of occasions at the UN Security Council, drawing to the attention of members the importance of acting. We should as well recognize that we owe him a great debt of gratitude and that again as Canadians we have played an important role here. Just as our Ambassador Philippe Kirsch played such an important role in the establishment of the International Criminal Court, so too Ambassador Bob Fowler, I believe, deserves a great deal of credit in this area.

Earlier this year in March, the most recent Kimberley process meeting was held here in Canada, in Ottawa. Some 48 countries agreed to enact domestic legislation in order to create a global certification scheme for rough diamonds. That is the purpose of this legislation before the House today: to ensure that Canada plays its role as a member of the Kimberley process. We have heard already how that will work and we are hoping that the first Kimberley process certificates will be issued beginning on January 1 of next year.

Obviously this is an important step, but it is by no means the only step that has to be taken in order to deal with conflicts in areas such as Angola, the Democratic Republic of Congo and Sierra Leone. It is important that there be strong diplomatic action as well and that Canada play an important role there, that Canada work tirelessly to bring about peaceful solutions to these conflicts through diplomacy and, if necessary, through the contribution of peacekeeping forces under UN auspices. Yes, we must work hard on the issue of conflict diamonds, but we must also redouble our diplomatic efforts to deal with the underlying causes of these tragic and often incredibly bloody and violent conflicts.

● (1145)

We know that this will be good for the Canadian diamond industry.

[*Translation*]

We have heard the comments from the Bloc Quebecois member on this issue. He comes from a riding where there are diamond mines.

[*English*]

In fact, clearly the Canadian diamond industry would benefit from the Kimberley process because our Canadian stones would be certified as conflict free. We know as well that a number of consumers have avoided diamonds altogether because of the risk of supporting conflicts or terrorism. Hopefully now that this process is going to be in place they will call off these boycotts and this will again assist the development of the Canadian mining industry.

There is one important area in which I want to call upon the government to take every possible effort to strengthen the Kimberley process. The gravest weakness in the Kimberley process is the lack of independent, impartial, external, regular monitoring of governments' compliance with the regulations. This is a very important area and it is one which I hope Canada will be working hard on to strengthen in the coming months. Yes, we signed on to the Kimberley process, but it seems to me we also should be listening to those voices from the NGO community in particular, including Partnership Africa Canada, Global Witness, Amnesty International and Oxfam, which have all noted that this absence of independent monitoring may be a fatal flaw in the system. It is essential that we campaign actively to ensure that this problem is addressed.

In March of this year they made an effort at the Ottawa meeting on the Kimberley process, but unfortunately the participating committees were not able to agree to independent monitoring. Russia, for example, objected to external scrutiny of its diamond industry as it considers diamonds a strategic mineral. Other nations objected that such monitoring would be too costly, or they said it might jeopardize commercial interests, but it is essential that we move toward independent monitoring because without it there are simply too many loopholes in the entire certification system.

Conflict diamonds could enter the international marketplace under the guise of legitimacy and supported by the Kimberley process certificates. Now, for example, the Kimberley process only admits so-called review missions which will be established only when there are "credible indications of significant non-compliance". These missions will only be conducted with the consent of the country concerned, which means they can simply be rejected by the suspect country. They would not be truly independent and impartial and the reviews would not be conducted on a regular and ongoing basis.

One example of this, according to Partnership Africa Canada, is the United Arab Emirates, which produces absolutely no diamonds whatsoever but increased its exports of diamonds to Belgium from $4.2 million in 1998 to $149 million in 2001. This is a country that does not produce any diamonds at all. Clearly if the United Arab Emirates does not join the Kimberley process, its diamonds will be excluded from the global trade.

It is important that we recognize that this is a significant step we are taking. Again I pay tribute to the member for Nepean—Carleton, to Partnership Africa Canada and to Ambassador Bob Fowler for the leading role they have played on this issue internationally, but at the same time I urge them to continue working to significantly strengthen the Kimberley process.

With that, once again, on behalf of my New Democrat colleagues, we join with members on all sides of the House in commending this important step forward. We will do whatever we can to work to strengthen it and make it a more effective scheme to ensure that conflict diamonds do not in any way fund the wars taking place at the present time.

● (1150)

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, it is a pleasure to rise today to speak to Bill C-14, an act on the export and import of rough diamonds. There has been a fair amount of discussion on the bill so far but not a lot of debate. There are a number of issues in the legislation that are relevant to the debate and certainly should be open for discussion.

The bill has been a long time in the waiting. Unfortunately it has taken the government until the last hour of the last day to bring forward the bill and now it has to be ratified by December 31, 2002. Of course the government likes to say that date is actually January 1, 2003, so it is a different year, but my point is that there is a real urgency here. We need to look at the bill immediately, we need to debate it and we need to have it go through committee. We need to have it ratified by December 31, which as far as I am concerned as an opposition member of Parliament, is too little too late. We should have had this before us last spring. We knew it was up and coming. We could have had our committee studies done and a lot of groundwork could have been covered already.

Certainly we all know the story of diamonds. To many people they symbolize love, happiness and wealth, yet for many they mean conflict, misery and poverty. In African countries such as Angola, the Democratic Republic of Congo and Sierra Leone, the profits from the unregulated diamond trade are used to obtain weapons and fund armed conflict. As a result, tens of thousands of civilians have been killed, raped, mutilated or abducted.

The rebel forces in these conflicts use so-called conflict diamonds to finance arms purchases and other illegal activities. Neighbouring and other countries can be used as trading and transit grounds. The transit grounds are for the trade and travel of illicit diamonds. Once diamonds are brought to the market their origin is difficult to trace. Once polished, they are even more difficult to identify. This is why it is very important that Canada is brought into line with the other almost 50 countries to stamp out the international trade in illicit rough diamonds.

On December 1, 2000, nearly three years ago now, the United Nations General Assembly unanimously adopted a resolution on the role of diamonds in fueling conflict, seeking to break the link between the illicit transactions in rough diamonds and armed conflict. In taking up this agenda item, the General Assembly recognized that conflict diamonds are a crucial factor in prolonging the brutal wars in parts of Africa and it underscored that legitimate diamonds contribute to prosperity and development elsewhere on the continent.

In Angola and Sierra Leone, conflict diamonds continue to fund the rebel groups, the National Union for the Total Independence of Angola and the Revolutionary United Front of Sierra Leone, both of which are acting in contravention of the international community's objectives of restoring peace in the two countries.

In March 2002, an international agreement was reached on a plan to require a paper trail for diamonds to help throttle the trade in the so-called blood diamonds, blamed for financing the bloody civil wars in Africa, yet we still have no legislation from the federal government. If we look at even part of the chronology, we had the UN resolution on December 1, 2000, and phase one of the Kimberley process, which was completed November 29, 2001, wherein the ministers of participating states at a meeting in Botswana declared their detailed proposals for international certification for rough diamonds. Then we had the March meeting here in Ottawa. In the meantime, the United States government took a very serious look at this problem and proposed legislation. That legislation was proposed and actually sent to Congress in the U.S., with the support of the diamond industry and over 100 non-governmental agencies. Unfortunately the bill stalled in Congress.

● (1155)

The fact that the bill stalled does not reflect at all on the importance and the timeliness of the bill being introduced last spring in the American system rather than late in the fall of 2002 in our system in Canada, again with the December 31 deadline. Certainly there are still a number of problems with the legislation. Beside the fact that we are down to the crunch and that the legislation needs to become law by the end of the year end, a few other points need to be explained and laid out.

By January 1, 2003, to take the government's date, all gem quality diamonds must be certified according to the standards outlined in the Kimberley process or they simply will not be allowed into other countries. In the meantime Canada does not have a diamond regulatory body. Canada Customs does not have a centralized port of entry or ports of entry for diamonds and it does not require proof of the origins of diamonds at this time. Perhaps the legislation will encompass all this, but we will have to see.

Importers simply can declare diamonds to be from their last port of call, such as a processing centre in Antwerp. Therefore we certainly need to have the discussion about ports of entry and exit for rough diamonds. Designated points of entry will put a stop to the smuggling of diamonds in other countries. That is not as great a danger to Canada, but it certainly is a great danger to many other countries on the planet.

Canada now has a vested interest in this. We have a particular interest as a new producer of diamonds, in particular from the Northwest Territories. This country needs to protect its diamond industry by encouraging a strong monitoring system to ensure that consumers can trust the claims about the origins of the diamond.

Bill C-14 is attempting to establish an international certification process to trace uncut stones so that gems mined by driller groups in Sierra Leone, Angola and Liberia do not infiltrate the legitimate diamond markets. We absolutely agree that this is a good step to crack down on the smuggling of rough diamonds. Canadian law in this instance would impose a $500,000 fine or a five year prison term, or both, on anyone attempting to smuggle conflict diamonds into Canada.

The Kimberley process is to address exports and imports in transit and deal only with natural rough diamonds. This process was initiated in South Africa in May 2000 to develop an international certification scheme for rough diamonds to prevent conflict diamonds from entering legitimate markets. We have a vested interest in seeing that this process is approved and that it goes through.

On November 5 of this year, the Kimberley process will meet in Interlaken, Switzerland to confirm the end of 2002 as the date for simultaneous implementation. I would think it would be in the best interests certainly of our country and the fledgling diamond industry in our country that the Minister of Natural Resources attend this very important meeting himself.

In the meantime this is more than just an issue about the import and export of rough diamonds. Now that the government actually has figured out that we have a diamond industry in Canada which has the potential to supply 12% of the world's gem quality diamonds by 2004, which is very important to fledgling economies in northern Canada, and now that we actually are looking at this issue, perhaps the government will also agree to look at the issue in a more serious and broader way and take a broader mandate.

We will deal with the legislation and support it. We will even support it being rushed through the House, but we will not simply turn a blind eye to it. There are concerns and we need to take a very strong look at them. I would like to reiterate once again that my greatest concern is the fact that the government has waited this long to introduce the legislation, and now we are in an all-fired panic to get it through the House.

● (1200)

There are other concerns. Canadian diamond dealers have a concern about the 10% excise tax on diamonds. It is applied against the manufacturers of all jewellery. It needs to be discontinued if Canada's fledgling diamond industry is to compete with diamonds from Botswana, Australia, Russia and South Africa.

The excise tax came into effect in 1919. It is funny how taxes get on the books and are forgotten. It was applied to a range of so-called luxury items to help finance Canada's World War I expenditures. Probably, like most taxes, it was well meaning and brought in for all the right reasons. Over time the excise tax was dropped on a number of items and remains on only a few today. It continues to remain on jewellery. If we add the 10% excise tax, the GST and the various provincial sales taxes, that is 25%.

The diamond industry is on the verge of blossoming and has real potential to fuel the economies of northern Canada and some of our southern cities as well. There is huge potential here and already we are seriously considering putting a tax of up to 25% on the product. If we have a $2 billion industry with the potential to supply 12% of the world's gem quality stones, why are we not taking a serious look at the industry, and not just the import and export of rough stones which curves around the world, and supporting it?

Our only producing diamond mine right now, the Ekati mine, employs 650 people and produces three to four million karats of gem quality rough cut diamonds every year. This is an equivalent to nearly 4% in today's numbers of the world diamond production by weight and 6% by value.

The Diavik mine will begin operation in 2003. Two more projects, one in the Northwest Territories and one in Nunavut, could open by 2007. These four mines would provide direct employment for about 1,600 people and could bring a total annual production of nearly $2 billion.

Many people will benefit from the development, including northern aboriginal groups, at the mine and in industry related activities as well as training and skills in cutting and polishing diamonds. They will receive direct transfers under the impact and benefit agreements negotiated directly with the mining companies. Therefore the diamond industry has been a win-win for our northern communities. It is an exciting time for Canada and especially Canadians in the northern region. This is a time to bring jobs and skills to many people who need to enrich their lives, and these jobs and skills will come from the mining of rough diamonds.

We support the bill at second reading. We hope the government will take the entire industry much more seriously than it has in the past. We recognize the time frame and the restraints and conditions the government is working under. However we should have our legislation in place even if the meeting in Switzerland does not confirm December 31, 2002 as the deadline.

Furthermore, we have a fantastic opportunity and a terrific industry. It is environmentally friendly and safe. It has the potential to put our northern communities on the world map. It has huge potential for the sale of Canadian stones. That little laser etched polar bear on that polished stone at the end of the day may be the greatest trade mark that Canada has ever come up with. This is a fantastic opportunity. We have free trade with the United States and the United States buys 60% of the world's polished stones. The biggest market in the world is next door. There is no way Americans or anyone else on this planet should even consider buying conflict diamonds when they have a guaranteed safe source of stones right in Canada. We have an industry waiting to happen, to cut, polish and export these stones.

● (1205)

It is not just about this legislation, which we support. It is also about the excise tax and the situation in which the diamond industry is today. I hope the government is at least listening to this debate. I hope it intends to follow this up and not only regulate the import and export of rough diamonds, not necessarily for Canada but certainly for the conflict regions of the world, but also look at the industry in Canada which supplies 6% of the value of all the gemstones on the planet. It has huge potential not just for the regions of northern Canada, but for the rest of the country as well.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, the hon. member mentioned the tax that was placed on Canadian jewellery, I believe in 1919. If Canadians want to buy a piece of handcrafted jewellery, because of that tax, which was supposed to last only a few years, and the PST and GST, a cheap $100 community diamond will cost them $125.

If we are to make good use of the diamond mine being developed in the Northwest Territories, the government should take another look at the tax which was brought in in 1919. Jewellers have been complaining about it ever since that time. Could the hon. member comment on that?

Mr. Gerald Keddy: Mr. Speaker, I appreciate the hon. member's question. Although not included in this bill, my point in raising the excise tax issue is that we need to look at it in a serious way. If we are to promote a diamond industry in Canada, it is a lot more than just regulating the import and export of rough stones.

We have tremendous potential just in rough diamonds. If we are able to do something about the export of rough diamonds and get rid of the excise tax on those quality stones, by promoting the sale of diamonds in Canada, people might be interested in flying to Yellowknife to purchase a stone at the source. There is no reason why that could not happen.

We are on the threshold of a tremendous business and so far I do not think the government realizes it. A 25% penalty on any industry is too much. It is a given that we will have provincial sales tax and the GST. However we need to do something about the export tax. I have raised this issue in the House over the last couple of years. It is not the first time it has been brought up. It is time the government took a look at it. We have a fledgling industry with huge potential. Let us help it out.

● (1210)

Mr. Benoît Serré (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, I would just make a point of clarification on the excise tax issue. Cut and polished diamonds imported into Canada are subjected to the same excise tax as the diamonds cut and polished in Canada and sold here. There is technically no competitive disadvantage for Canadian cutters and polishers.

Mr. Gerald Keddy: Mr. Speaker, that is the whole point. We need to encourage the diamond industry by getting rid of the excise tax on export. If we want to keep it on imports, then maybe there is room for that discussion. However we should be favouring and promoting our own industry.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I first want to thank my hon. colleague from South Shore for mentioning the polar bear which is lasered on Canadian diamonds. I represent the Churchill riding in Manitoba, the polar bear capital of Canada if not the world. I would encourage everyone to visit and see the real thing as well as the little polar bear on the diamond.

A number of years ago, the northern and aboriginal trappers suffered greatly as a result of criticisms over unfair hunting and trapping practices. We lost a fair amount of the industry and it took years to get that economic activity back up and running. Now we have another industry, a new and dynamic industry in diamond mining, and it also has the risk of having a boycott if a process is not put in place to ensure that conflict diamonds can be distinguished from diamonds of Canada.

Does he see a risk to our industry if the government does not take a very strong position of ensuring that independent bodies are in place and that the Kimberley process can do the job it is intended to do?

Mr. Gerald Keddy: Mr. Speaker, there is a real risk. I appreciate the question from the member for Churchill, especially the comparison to the fur boycott because this is something very real and it is something that could happen again. It happened for no good reason the first time when many countries in the world decided to boycott the fur industry. It was absolutely devastating to our northern communities and to communities throughout the country. It was not just northern Canada that participated, and still participates, in the fur trade. It was rural Canada from sea to sea to sea.

A number of the issues alluded to by the member were brought up at the meetings held with the NGOs in Ottawa on March 18 and March 20. Three of them were outstanding. Given the Kimberley process, and we are all in agreement that it is needed, there are still a number of things that need to be followed up on.

The group, which was headed up by Amnesty International, came up with a number of questions. One of them was on how the statistics would be kept and essentially who would produce the quarterly trade statistics and semi-annual production statistics even when they are supposed to be available within two months of the reference period. Countries will use their own arrangements and will endeavour to ensure that these relate to the international harmonized system or so-called HS codes. Statistics will be collated centrally. It was agreed that an existing intergovernmental body with the capacity for this should be approached. The IMF and the World Bank were two parties that were mentioned.

Certainly this is a significant and important step. First of all, we have to have real statistics, we have to be able to collate them and the body needs to be at arm's length. Right now the bodies will simply be the diamond-producing countries. There are some political and commercial concerns which were expressed at the meeting.

The other thing that seems to be a problem is the secretariat itself. It seems perfectly logical that the Kimberley process will need a secretariat to coordinate its many functions, but it is not clear to all the participants who will sit on the secretariat, who they will represent and how the chairs will work. There are some very important details to be worked out.

The other issue which was already alluded to in the discussions is that of monitoring. The NGOs feel that they failed when it came to monitoring. I will read their own words:

> We have insisted from the beginning that independent, impartial, external, regular monitoring of all national control systems must be a part of the final system. Without this, the system will have no credibility, and it will provide a wide range of loopholes in the system.

There are concerns about the Kimberley process with regard to monitoring, on how the statistics are held and on how the secretariat is formed.

Yes, this is a great piece of legislation. It ties up a lot of the loose ends affecting the trade of so-called blood or conflict diamonds and will help to prevent the flow and trade and sale of conflict diamonds around the world. Is it a perfect piece of legislation? I am questioning that. Should we support it? Absolutely. It is better than what we have now.

Worse than that, this has the potential to shut down a diamond industry that is in existence in Canada. If the UN ratifies the agreement on December 31 and we have not ratified it, we cannot export the diamonds coming out of a great industry in northern Canada. I would say we had best get on the ball and do exactly that.

● (1215)

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I am going to vote against the bill at second reading for one reason: it does not respect private property rights.

There is one thing about being guilty of a misdemeanour, but sometimes there is an investigation of people who are innocent. We believe that Canadian firms will be innocent and will still be subject to the section that would allow investigators to come on to their property, do whatever they want without any liability for any damage caused, including breaking down doors and things like that.

I would like to know whether the member has any concerns about that issue.

Mr. Gerald Keddy: Mr. Speaker, quite simply I do not think that legitimate diamond companies, especially the ones in Canada, need to be concerned about the international community coming in to break down their doors. I think that private property rights are protected.

The other side of the statement the member made is that we have to be able to monitor the system. If people cannot be sent in to look at what is actually going on, then it cannot be monitored.

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, it is a great honour to rise in the House to speak to Bill C-14, the title of which is an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds in order to meet Canada's obligations under the Kimberley process.

Periodically there are times when the House has to deal with a big issue. As far as I am concerned this is one of those times because this is a big issue. It affects the international community and issues of international peace and security in very substantive ways. The adoption of the Kimberley process internationally, hopefully by the end of the year, will spell a new era for the international community in dealing with the causes of conflict.

The Kimberley process in which the international community has been involved is as significant as the Anti-Personnel Land Mines Treaty agreed to several years back which dealt with the results of conflict. The Kimberley process deals with the causes of conflict and from that standpoint it is a very critical component of the international community's agenda on peace and security.

A number of people and organizations deserve a lot of credit with respect to having Bill C-14 before the House at this time. First and foremost, I offer my thanks to the Minister of Natural Resources, the Minister of Foreign Affairs and several other ministers who played a key role in this process. Ministers who come to mind include the Solicitor General, the Minister of Indian Affairs and Northern Development and the Minister of Finance.

Some individual officials need to be identified and thanked for their roles. I think of Mr. David Viveash, Jennifer Moher and Jennifer Daubeney, all from the Department of Foreign Affairs, and Don Law-West from the Department of Indian Affairs and Northern Development.

Some of my colleagues alluded to the NGO Partnership Africa Canada which is based in Ottawa. Its executive director is a fellow named Bernard Taylor. This organization in particular has played an absolutely critical role in moving the issue forward. It deserves the thanks and gratitude not just of Canadians but of the international community as a whole.

There are a number of other individuals I would like to identify, in particular, Mr. Ian Smillie, Mr. Ralph Hazleton and Lansana Gberie, all from Partnership Africa Canada. These three individuals have been responsible for a considerable amount of work in relation to the whole issue of diamonds and human security.

I draw the attention of the House to some of the work they have done. One project, The Heart of the Matter, dealt with diamonds and arms in Sierra Leone. It was very important in moving the issue forward internationally.

The group has done work in terms of Guinea. It has worked in the area of diamonds in South Africa. It has examined the benefits of protection and regulation in the Canadian diamond industry as well. This group knows the issue inside out and has been very critical from the standpoint of an NGO working in this area. It has been recognized internationally.

I draw the attention of the House to the fact, and this did not receive much in the way of publicity earlier this year, that Partnership Africa Canada has been nominated for the Nobel Peace Prize. That in itself speaks volumes about the incredible contribution it has made to this issue.

● (1220)

I would be remiss if I did not draw attention to the role one of our previous ambassadors to the United Nations played. This was alluded to by other members. Mr. Bob Fowler was absolutely critical in terms of moving the issue of diamonds and weapons in Angola forward. He had some help in that respect. One of his officials, David Angell, was very important in the work that was done at the United Nations to raise the consciousness of the entire international community to this critical issue.

One of the results that occurred from the publication of the Partnership Africa Canada report was the expert panel on diamonds and arms in Sierra Leone. It consisted of a number of individuals selected for their expertise in relation to particular aspects of the diamond, small arms and weapons issues relating to Sierra Leone. It just so happens that Ian Smillie was the Canadian representative on that expert panel. In my view, its report ratcheted up the pressure on the international community and the UN Security Council from that standpoint in terms of the recognition that this was an issue that absolutely had to be dealt with. It was not long after the release of the report "The Heart of the Matter", in December 1999 I believe, that the Kimberley process got under way in May 2000. There was reference to that earlier in the debate.

The Kimberley process was a rather remarkable exercise from the standpoint of international diplomacy. It involved NGOs, such as Partnership Africa Canada, Amnesty International and Global Witness with individual governments as well as the diamond industry, which as a whole recognized very clearly and in the early stages of this process that the problem of conflict diamonds was one that absolutely had to be addressed. The diamond industry, the NGOs, the governments pulled together in quite an unprecedented way in order to move the process forward.

There were issues. There are always issues when the international community comes together. Individual countries have their particular perspectives on how an international agreement should work. We saw it time after time at various meetings in the Kimberley process in London, Moscow, and Gaborone, Botswana and the last major meeting which was here in Ottawa.

Some of the issues touched on monitoring, how the process would be monitored and how to ensure that governments lived up to their obligations under the process. There was also the issue of statistics which was referenced earlier. The Russians in particular were very concerned about the statistics issue. There was an issue with the administration of the agreement and whether, for instance, it was necessary to set up a secretariat to ensure the compliance of individual countries. There were other issues as well related to the possible restraint of trade in diamonds that were dealt with under the WTO rules.

It was an extremely complicated process involving many countries with their own perspectives on the issue. In terms of the meetings that I attended in Ottawa and Gaborone, there was a real understanding of the gravity of the situation and of the need to move forward on it as quickly as possible.

One of the members across the way mentioned that the bill has been presented to the House late in the day. I can tell the hon. member and any other members that are concerned about it that in my view the officials have been working overtime to try to get the stand-alone legislation which we have in Bill C-14 prepared and make sure it reflects the agreements that have been arrived at to this point.

Is there more work to be done in relation to the Kimberley process in terms of the monitoring of the agreement and how it works in the future in individual situations, perhaps as mentioned in places like Angola, the Democratic Republic of Congo and Sierra Leone? Of course there is a lot more work that has to be done to ensure that the system works well.

● (1225)

From what I have seen and heard thus far, certainly in terms of the certification system that exists in Sierra Leone right now, that certification system has been a huge improvement in terms of controlling the illicit diamond mining trade in Sierra Leone.

From the standpoint of government revenues, it will make a huge difference in terms of allowing the people in Sierra Leone to benefit from the development of their own diamond resources.

I will speak briefly to the whole issue of how this process that we have been through affects Sierra Leone in particular. As some hon. members may know, I served as the special envoy to our Minister of Foreign Affairs, both former Minister Axworthy and the current minister, to go to Sierra Leone and see what was happening on the ground with respect to the conflict in that country.

One of the things that struck me the most in the very early stages of my investigations in Sierra Leone was the fact that this was not a conflict that had anything to do with the issue of tribalism or religion. Many religions exist in Sierra Leone, such as Muslims, Christians and animists, but religion had nothing to do with the conflict. It largely had to do with who would benefit from the diamond trade. The Revolutionary United Front, which is a name with which many Canadians may not be familiar, was at the forefront of the illegal exploitation of diamonds, supported in large measure by the government of Liberia under its current dictator, Charles Taylor.

I made my first trip to Sierra Leone in March 1999 in relation to my duties as special envoy. If hon. members will recall, that was a time when the Kosovo situation was heating up. The NATO allies in late March 1999 were just in the process of starting the bombing of Kosovo. The world's attention was focused, certainly not on Africa but on the former Yugoslavia.

What I saw in Sierra Leone touched me very deeply in terms of the human suffering. To go to Freetown, a place that had been attacked by the rebels in January 1999, and see the devastation there was quite unlike anything I had seen before. In the eastern portion of the city approximately 75% to 80% of the dwellings, businesses and houses had been completely destroyed. Literally 100,000 refugees were in Freetown at the time. People came from various rural parts of Sierra Leone and rushed into the city, hoping and expecting that there would be humanitarian assistance for them there.

One sight that had an huge impact on me was the amputees, the people who had their hands, arms, feet and legs amputated by the rebels. This was a terror tactic used by the rebels to create widespread panic throughout the country.

I will never forget what I saw in one camp in particular. I saw a husband and wife with their small child and each one of them had a portion of their arm chopped off by the rebels. The little girl of no more than two or three years of age had her left arm amputated very close to the shoulder by the rebel forces. That sort of thing played itself out time and time again over the course of the conflict in Sierra Leone. This was a crime on such a massive scale that it almost defies the human imagination to believe that there could be people that evil in the world.

● (1230)

I toured a hospital as well where I saw a man with absolutely no hope in his eyes, both of his hands had been amputated. I saw a little girl, about seven or eight years of age, with a portion of her leg amputated just above the knee. This was the sort of thing that Sierra Leone had to deal with and all of it caused by the illicit diamond trade.

This was something the international community came to understand over time. However at that time their attention was focused on other issues related to the Balkans, an equally depressing area in terms of human suffering. In large measure the people of Sierra Leone were forgotten by the international community. Bill C-14 is an indication that Sierra Leone has not been forgotten. It is an indication that the international community has come together to deal with the terrible issue of conflict diamonds.

Sierra Leone is slowly getting back on its feet after a terrible conflict. The special court in Sierra Leone will soon begin its work. It will look at who in large measure was responsible for the conflict. I anticipate we will perhaps see some individual heads of state in the region named as being responsible. We also will probably see some arms traders, who brought in weapons in exchange for diamonds, being held responsible. I fervently hope the international community follows this very closely.

In my last report on Sierra Leone I identified Leonid Minin, a well-known individual in the international community.The expert panel on diamonds and arms in Sierra Leone identified this individual. In terms of my report I did a bit more research that uncovered certain aspects of the ownership of a plane he used to ferry weapons in and out of West Africa.

I do not think we can talk about the diamond and the conflict diamond issue without talking about the arms trade as well because the two virtually go hand in hand. Certain governments, especially eastern European governments and, in particular, the government of the Ukraine, have not exercised full control over some of their own nationals in terms of the weapons trade going into places like Sierra Leone and other parts of Africa.

Now that we seem to be in the process of addressing the conflict diamond issue, I hope the international communities will focus their attention very clearly on the arms trade. As far as the conflict in Africa is concerned that is absolutely essential.

Work must be done, whether it is through the United Nations or through individual NGOs, not just to name and shame, as has been done in the past by various UN reports, but to prosecute people responsible for the arms trade in Africa.This is why I think the case of Leonid Minin who was picked up July 2001 is critical. If Minin were to be successfully prosecuted by the Italians, it would send a very significant message to the rest of the international community and to people who engage in the weapons trade.

Bill C-14 is obviously very critical for the Canadian diamond industry. We do not want to see the Canadian diamond industry negatively affected in any way by the taint of conflict diamonds, which is a danger as long as the international community does not deal with the issue. I am confident that Canada, along with many other countries, will be successful in getting legislation through. The future of the diamond industry in Canada is a very bright one as has been alluded to by other members of the House in terms of the various areas of exploration.

● (1235)

I would strongly suggest to every member of the House to support the legislation. It is absolutely critical in terms of moving forward a very critical aspect of the international community's agenda on peace and security.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, first I would like to join my other colleague from the NDP in complimenting my colleague from Nepean—Carleton for the excellent job he has done on this file and as a special envoy to Sierra Leone which gave him an overall picture and the opportunity to see the root causes of the conflict and where he eloquently in his speech today mentioned those cracks. What really is at the crux of the issue, which he pointed out and with which I agree wholeheartedly, is the issue of the arms dealer.

When I speak during the debate, I will of course address my issues as well. The Kimberley process, from my point of view, is an excellent process but only one side of the equation. The member mentioned the other side of the equation which was the arms dealer. There has to be a market for these diamonds. As long as there is a market for these diamonds we can create all kinds of rules and regulations to stop it but we need to see the other side as well which, as the member very eloquently put it, is the arms dealer, and it needs to be addressed.

I think the next stage will be the issue of how under the United Nations we will address it. There is an issue of small arms control but in order to stop these wars we must address the issue of the arms dealer.

Is the member satisfied that the system, with its checks and balances for verification, is adequate enough considering where these diamonds come from and what kind of regimes they have? When I start my debate I will bring forward some other questions in reference to cracks happening in that continent which hopefully the Kimberley process will address.

Considering we have people like Mugabe and supposedly legitimate governments flouting the law, is the hon. member confident that the verification system in the Kimberley process will work for the benefit Africa?

● (1240)

Mr. David Pratt: Mr. Speaker, I do have a very high level of confidence that the system of certifying and transporting rough diamonds in containers with a manifest will go a long way toward addressing the problem.

I was at a conference toward the end of last week. The participants were talking about the Kimberley process and the efforts of the government of Sierra Leone to address the Kimberley process. Obviously the government of Sierra Leone has not been able to control all the diamond mining that goes on within its borders. However within the first six months of this year it is my understanding that the government of Sierra Leone was actually able to process, through its own Kimberley process, more diamonds than it had processed in the previous 10 years.

Therefore within the first six months of this exercise taking place there has been a significant amount of control exerted on the diamond industry in Sierra Leone.

Interestingly enough, once the Kimberley process comes into force internationally, the diamonds that were previously smuggled out of the country to places like Liberia, Guinea and The Gambia for instance will be shut off by the Kimberley process. Those people who were smuggling diamonds out of the country will need to find other means of marketing those gemstones internationally. I think they will find it very difficult indeed.

I alluded earlier to the fact that we will need to give this process some time to get settled, to get operating and then to find the loopholes, the holes in the legislation or the holes in the process, to ensure to the greatest extent possible that the diamonds being mined will be mined for the purposes of development. Diamonds for development are critical certainly to Africa's future in places like the Congo, Angola and Sierra Leone.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, I want to add my voice. Everybody should know that without the member for Nepean—Carleton in the House this bill would not have come about. He deserves a huge amount of credit and accolades for the hard work he has done in one of the most underprivileged and, I am sure, emotionally gruelling places in the world to work, that being Sierra Leone. I thank him for the work he has done and compliment him for it.

I have a couple of questions for the member. First, in the Kimberley process one of the loopholes that exists is in regard to a lack of import-export permits, basically export permits on the part of producing countries, and the lack of controls in those countries. I am talking especially about the Congo, where anarchy is pervasive. What does he think ought to be done in terms of strengthening the export permits that are required from diamond producing countries? I think that strengthening would hopefully would block off what is in my view a major loophole in the Kimberley process.

Second, would an Ottawa process like intervention, which will enable this bill to be adopted and ratified by the greatest number of countries in order to come into force internationally, be something that he would propose to his government?

● (1245)

Mr. David Pratt: Mr. Speaker, I appreciate the very kind comments of the hon. member, but I can assure him that there are significant differences between Bill C-14 and my bill. I think Bill C-14 is better, more practical legislation, even though I put the idea forward last year in terms of Canada bringing itself into compliance with the Kimberley process. The Kimberley process had not been completed at that time, so obviously it was something I wanted Canadians to become familiar with in terms of the general issue.

The hon. member is quite right in referencing the incredible difficulties that would be attached to export permits or export controls from a place like the Democratic Republic of Congo. Right now a number of countries are in the Congo actively engaged in diamond mining and illicitly benefiting from that diamond mining. In many people's judgment, this has been one of the principal causes of the problems in the Congo right now.

Once the Kimberley process gets up and running, though, I think we will find that many people who are engaged in the trade in rough diamonds will have a considerable amount of difficulty in marketing those diamonds. In the past the diamonds have flowed to places like Antwerp and London through the Diamond High Council in Antwerp and the Central Selling Organization in London. Rough diamonds that were illicitly mined have been mixed in with legitimate diamonds from other countries like, for instance, the mines of Botswana and South Africa, et cetera. Once the Kimberley process gets up and running that will not occur. I am confident that will not occur, certainly to the extent that it has in the past. I think that is one of the benefits of this process.

I see my time is running out, but if any other hon. members have questions I would be pleased to respond.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, it is my pleasure to rise to speak to the bill. I will be sharing my time with my colleague from Esquimalt—Juan de Fuca.

Actually this is the second time I have spoken on this issue. I spoke when it was first brought to the House. On many occasions I have alluded in the House to the fact that I come from Africa. I was born in Africa and grew up and worked there. My colleague discussed the issues of Sierra Leone and the Congo of today, where the conflict is ongoing and where diamonds are a major force and one of the major culprits in fuelling this war.

I grew up in Tanzania, a diamond producing country. It has been one of the major diamond producing countries for a while. At the present time I would like to give due credit to the people of Tanzania, to the Government of Tanzania, and to President Nyerere, as a matter of fact, who brought unity to that country. As such, because of his vision, his desire and the nature of the people of Tanzania, diamonds did not become one of the major points on which there was conflict in that nation. We are all thankful, especially people like me who grew up there. We never witnessed the war and, as my colleague from Nepean—Carleton mentioned, the horrible tragedies that have taken place in Sierra Leone. On that aspect I would like to once more express appreciation to the people of Tanzania, to the Government of Tanzania and to late President Nyerere for creating a peaceful atmosphere so that diamonds did not become a major situation there like elsewhere on the continent.

I have seen diamonds being mined. I have seen how easy it is to smuggle diamonds. A small piece of the illegal diamond activity also went on in Tanzania. Diamonds are small and can be hidden or taken away in a small bag. Hence they are very attractive and one of the easiest things to smuggle. Once there was a market it became an easier commodity to smuggle, which in turn fuelled these wars. However, as my colleague asked, where were these arms coming from? There were big arms brought into the country. They had to be brought in.

I will ask my colleague about one of the biggest concerns about the Kimberley process. We still have on that continent governments that are not accountable, governments that do not follow even their own rules of law. Zimbabwe is an example. There are other countries as well. Let us look at the Ivory Coast. I was in Ivory Coast with the Governor General on a state visit in 1999. Then it was a peaceful land, touted as one of the model African states. We must look what is happening there today, where such a rapid deterioration has taken place. It is quite shocking to see the civil war that is going on there.

Because of the lack of accountability, because nobody holds the countries accountable, the conditions for the rule of law seem to dissipate very quickly on that continent. That gives rise to these kinds of wars of smuggling. Countries that have diamonds will smuggle them because it is a very easy process, but on the other side we have someone providing a market for them.

The Kimberley process is an excellent attempt to stop it. The international committee is making an attempt to try to stop it through the process. I think it will have a success. There is no question in my mind. This is not one of those processes that will fail. My colleagues before me have indicated some of their concerns about the bill. They intend to take them to the committee to see that those concerns are addressed and tightened.

● (1250)

However, let us go back one step to the Kimberley process. While we have confidence in the process, for the sake of the people in third world countries and in Africa at this stage—and this disease can spread even to Latin America where there are diamonds or commodities that are easy to smuggle—there is a question that we also need to address in Ottawa so that we take this scourge of civil war out of the countries. We need to hold the governments accountable as well. We need to orchestrate that. If they do not fulfill the rule of law as is required by civilized countries through United Nations or whatever, then there must be a mechanism to bring them to accountability.

I am glad to hear from my colleague across the way that in Sierra Leone people identified as being responsible for the atrocities committed over there eventually will be brought to trial. I hope they do that, and also in the Rwanda and the Burundi processes as well. We need to do that. If we do not do that, we can have as many Kimberley processes as we want, but at the end of the day they are not going to solve this. It will put a dent into this, but will it at the end of the day be sufficient to stop this misery on this continent and anywhere else? In a bigger ratio diamonds are a natural resource that has been utilized for this because they are easy to smuggle, but if they find some other natural resource for which this can be done, the issue will come up again.

Let us talk for a moment about Nigeria before democracy and the new government came in. As we know, the famous poet was hanged in Nigeria by the former dictator because he was demanding for his people the rights to the natural resources, the oil in those people's lands. Those people were not benefiting. The natural resource was not being used for the benefit of the people. When that happens, there is a deficit. When that deficit happens, if there is a way somebody will exploit it. In these cases, many of the rebel leaders have exploited it. They may have a genuine concern. Who knows?

However, we need to create conditions where there is a rule of law, where somebody held accountable, so that we never give rise to situations where the local people feel that their natural resource is being utilized not for their advantage but against them. The responsibility also lies with the governments in power, the Government of Sierra Leone, the Government of the Democratic Republic of Congo. They also all are responsible to ensure that they take care of their own people so that these grievances do not arise where people are forced to take up arms. That is also one of the root causes.

Let us talk for a second about Angola, which is rich in diamonds and which is responsible for this. UNITA for a long time has been at war there, during the cold war because it did not feel part of the nation that picked up arms. Of course it easily could have easily given up when the peace treaty was signed. This conflict of course was exploited by the major part.

The Kimberley process is an excellent process. I will personally support the bill because I know we need to address this issue right now, but there are also bigger issues that we must not brush off the table by just saying that the Kimberley process is the answer to these things.

● (1255)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to Bill C-14. I compliment the member for Nepean—Carleton for his extraordinary work and also our ambassador to Italy, Robert Fowler, who did an extraordinary job in Angola in articulating the role of diamonds and the trafficking of illegal arms in a murky world that causes the deaths of hundreds of thousands, if not millions, of people every year.

Let us get to the heart of the matter. This process is important to save the lives of millions of people around the world. Blood diamonds, as we have heard, are diamonds that are mined and sold illegally. They are the fuel of conflicts from west Africa, Guinea and Sierra Leone. They are fuelled by the tyrant Charles Taylor, down through central Africa, the Democratic Republic of Congo, into Zimbabwe and down into Angola.

These diamonds are mined under conditions of absolute slavery. People get a few dollars for them. The diamonds are taken into a murky world. They flow into the diamond marketing areas of Antwerp and Tel Aviv where they are mixed with legal diamonds and sold in return for weapons and other illicit contraband. In fact, diamonds as well as other resources such as timber, semi-precious stones, and coltan, the material we use in our computers, are used to fuel conflicts in most of Africa.

The irony of the continent of Africa is that while it is the poorest continent in the world, it is also the richest in terms of resources. However these resources have been taken and used by brutal, evil people like Charles Taylor, Robert Mugabe and others to fuel their own conflicts, line their own pockets, and murder innocent civilians.

Perhaps the most egregious example is what happened in Sierra Leone involving rebels under the leadership of a man by the name of Foday Sanko, the head of a group called RUF. Rebels is really not the word we should use. We should call them thugs. They would go into an area where there were diamonds, and any people who were there would be lined up and given the choice of right or left, meaning did they want their right or left arm chopped off. With children, they would make arbitrary decisions, chopping off legs or limbs. Why? They would do this to scare those people out of the region or to force them to mine the diamonds, the same diamonds that people wear here at home on their rings. Perhaps half of the diamonds that are worn on people's hands in our country and in the west are blood diamonds that came from these bloody origins, where innocent people had their limbs chopped off so that we could enjoy these diamonds.

The key is to separate the diamonds that are from countries like Botswana and South Africa from illegally mined diamonds, and to enable countries that are in conflict to use the diamonds and the resources they have for the people in their countries as a tool for prosperity, not as a tool for death and destruction. This process would start a way for us to ensure those diamonds would be tracked. We can sell good diamonds that are going to help people in these impoverished countries while not allowing illegal diamonds on the market.

These illegal diamonds, coltan, semi-precious stones, timber and other resources are used to fuel the conflicts we see primarily in Africa. Perhaps conflict is not the right word to use. There is no war going on. It is basic thuggery and banditry by groups that call themselves rebel groups but who secure areas that are rich in resources. That is what the RUF did in Sierra Leone, supported by the evil Charles Taylor who is the head of Liberia and who garners money from this process. He is a thug and a murderer.

It is also happening in Zimbabwe. President Robert Mugabe took his army into the Congo, not for any strategic reasons but so that he could control diamond mines. He extracts these diamonds and pays off his military supporters and cronies. These diamonds then go into Antwerp, Tel Aviv and the Ukraine in exchange for funds to pad his pockets and also to buy weapons that enable his army to secure control and abuse his people. That is what is going on right now in that country. Zimbabwe was in the Congo, not for any strategic purpose other than to secure the resources in the eastern Congo for Mugabe's own benefit.

● (1300)

What happened to the people of the Congo? Two million people have died in the Congo in the last two years. More people die in the Congo every single day than died in the twin towers in New York on September 11 a little over a year ago. They die every day and no one is saying anything about this.

Similarly, in Angola, a country that has oil resources that are equivalent to that in the North Sea, people are dying despite the United Nations feeding program centres. They are starving to death in a land of plenty. That is the irony of the situation. I cannot believe the lack of engagement and the complete lack of congruence in our foreign policy.

The amount of aid we throw at a problem is not equivalent to addressing and dealing with the problem. Most of the countries in Africa under conflict that are the poorest countries in the world, ironically are some of the richest in the world in terms of resources in diamonds, semi-precious stones, timber, hydro power, et cetera.

The reason why these countries are under threat and the people are so poor and dying of starvation in the midst of plenty is that their leaders are corrupt, venal, evil people who use their power to line their pockets and those of their cronies who keep them in power. The people die, are tortured and subjected to slavery, and what do we do? Nothing.

It puts into disrepute the international organizations that we are a member of, be it the Commonwealth or the United Nations. The pillars of the treaties that we use to support those organizations are not worth the paper they are printed on because we do not have the will to live up to those treaties. Treaties are only as good as the will of the international community.

The United Nations and the Commonwealth are paper tigers because they will not act in the face of holocausts. For example, there is a holocaust taking place right now in southern Africa. Robert Mugabe in Zimbabwe is using food as a weapon. He is taking food and preventing his people from eating, putting at risk six million lives. Six million people will potentially die in his country over the next six months, and what are we doing about it? Nothing, absolutely nothing.

Every year we commemorate the Holocaust and say never again. We say that if the same situation were taking place as it did in eastern Europe in the 1930s and 1940s we would stand up and intervene and do something about it. The fact of the matter is, we do not. Whether we look at the former Yugoslavia; Zimbabwe right now; Angola, where two million people have died; the Democratic Republic of Congo, where two million have died; Sierra Leone; Guinea; or wherever we choose where millions of people have died, what do we do? We do nothing, which puts into disrepute the instruments and treaties that we worked so hard to put together.

If the government and the Prime Minister want to have an African agenda, not only would they have to actively pursue the Kimberley Process, but they would have to address the three main *c's* of why Africa is not developing. Africa is not developing because of corruption, conflict and a lack of capacitance.

Corruption, a lack of good governance and a lack of judicial structures prevent the people from investing in their own countries and prevent international investors from enabling development to take place sustainably in these countries. The harbingers of conflict are there for months, if not years in advance, and yet we choose to do nothing about it. Penalties are paid in horrible ways by the innocent civilians who live there, as we have heard today, by the chopping off of limbs and other egregious things.

Millions die and we do nothing about it. Primary health and education is where we should be putting our money on the sharp edge.

HIV-AIDS is tied to capacitance. In many of these countries 25% to 50% of the population is HIV positive. One-quarter to half the people in these countries will die, destroying the economic backbone of these countries. What are we doing about it? Not a lot.

The Kimberley Process is good but it has to take place in conjunction with other issues; the trafficking of weapons and what is going on in the diamond centres in Antwerp and Tel Aviv.

● (1305)

We must make a greater effort to put our own house in order because these countries would not be under conflict if we did not economically support these conflicts by wilfully and knowingly buy these products that are attached to the murder of innocent civilians.

I compliment the member for Nepean—Carleton on what he has done. The House should support the bill, perhaps with a few minor amendments to make it stronger. I look forward to the ratification process that would ensure that more than 50 countries in the world would ratify this treaty so we can bring it into force.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I appreciate the words of my colleague. The ideals, the goals and the principles that are being sought after in the approval of this particular bill are laudable.

However, there are some serious flaws. I intend to vote against the bill despite my colleague's plea because I want to ensure the government gets the message that there is one amendment which is mandatory. I am concerned that Canadian companies would be painted with the same brush as those companies in countries which are guilty of the crimes that my colleague spoke about.

There is a clause in the agreement that says that investigators can walk into a place without warrant and basically do it without any recourse for compensation for any damage that they may cause. That is a great concern to me.

I think an investigation is proper. However if there is damage to property such as breaking down doors and other things, and if the investigation shows that nothing has gone awry, then companies should be entitled to compensation for that damage as a basic protection of that search and seizure.

I would like my colleague to comment on that particular issue. Perhaps he can give me some reason to change my mind on being opposed to the bill on that account.

● (1310)

Mr. Keith Martin: Mr. Speaker, I thank my friend from Elk Island for his comments. I would like him to support the bill so we can get it to committee and make the changes that he has suggested.

Indeed, he is correct in saying that if innocent companies are subjected to damage in the process of search and seizure they should be compensated for that damage if they are proven, by definition, to be innocent. I encourage him to support the bill in order to get it to committee so we can have those amendments put forward.

I would also suggest to him that the purpose of the bill is to clean up the diamond industry so that it would benefit from this. Indeed, having a clean diamond industry would enable more people to buy diamonds. Otherwise, if the Canadian public and others in the west know that diamonds are attached to the murder and maiming of innocent men, women, and children they may decide to choose not to buy diamonds at all, in which case it would hurt honest diamond sellers.

It is in the interests of the diamond producers in Canada and the international community to clean this up. The Kimberley Process would do that. There is a vested interest not only from a humanitarian perspective in that vein but also from a purely pragmatic, self-centred, and economic interest.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I have a comment to those looking in. The tradition in the British parliamentary system is that the second reading vote is for agreement in principle to legislation, the idea being that the legislation at second reading is probably flawed, that these flaws are to be worked out at the committee stage, and that if a member still feels dissatisfied that the bill does not meet his objections and concerns, then third reading is the time to vote.

I would make the observation that the member for Elk Island is taking a position that would be more appropriate at third reading rather than second reading and that he should support the bill if he agrees with it in principle. If he does not agree with it in principle, then he should certainly vote against it.

Mr. Keith Martin: Mr. Speaker, I cannot speak for my colleague. I will be voting for the bill to get it to committee to make those changes. I encourage the hon. member to do a few other things if he would not mind, along the same vein.

First, is to convince his government to put conditionality on the new African agenda that it has, and that the trafficking of blood diamonds be put in as an activity that would prohibit countries from receiving aid from Canada. That would send a strong message.

The other is to put it in line with other processes similar to what Canada did for landmines and say that we should bring the nations of the world together to adopt the Kimberley Process in the same vein so that this actual treaty does not drag on for years on end. We should get the job done as soon as possible.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I would like to begin by congratulating my colleague, the member for Nepean—Carleton, for his long-standing initiative on this issue that has led to the bill before the House today.

Whether the bill is perfect of not, the credit must go to the member for Nepean—Carleton for keeping the government's attention on the issue. The member made a number of visits to Sierra Leone and saw firsthand the awful conflict, financed by the type of diamond that is basically scrabbled from the earth and then sold on the international markets, both legally and illegally.

Bill C-14 gives me an opportunity that I will take advantage of to tell a story of refugees and something that happened in my riding. It pertains very closely to the issue, although it may take a little time before members appreciate where I am coming from with this story.

In October 2000 in my constituency office I was approached by a gentleman who has a longstanding reputation of bringing refugees into Canada. He operated through an organization called Operation Lifeline. This person wanted me to intercede on behalf of two young men from Angola who had apparently been denied their refugee status. This is a common occurrence in an MP's constituency office. We try to cut through the red tape or try to intercede in compassionate circumstances because all MPs have this direct line to the immigration and refugee authorities to help out in situations like this.

I take this business of writing directly to the minister and asking for her intervention very seriously. I always do due diligence. I sought and obtained the file of the refugee hearing on these two young men before I actually interviewed them.

There was no question in my mind that the Immigration and Refugee Board was absolutely proper in its decision to reject the application of these two young men who had come in and sought refugee status at Niagara Falls. The description that they gave at the board hearing was full of contradictions. Basically their story was that they were two young men whose father worked as a chauffeur for the government in Angola. According to them, their father had fallen out of favour and had disappeared and been mysteriously shot. Suddenly, a few days afterwards, some unknown person, a benefactor, arranged for the two young men to be smuggled out of Angola and flown to Zimbabwe, from there to Rome, from Rome to Switzerland, from Switzerland to New York, from New York to Buffalo. This is quite a trip.

As the refugee board members queried them, it turned out that the young men could provide no detail. In fact, most of their information was very contradictory. Apparently, they said that when their father disappeared their mother contacted government officials. Of course that did not make sense if the government was supposed to be responsible for killing the father, and so the story went on. I had serious reservations about these two young men right at the outset.

Subsequently, just at about the time the election was called, these two young men came in with their sponsor. Their sponsor explained that they had been in the country for some nine months and they were in a local high school in grade 11 where they had, somewhat miraculously in my mind, acquired fluency in English. Angola of course is Portuguese speaking. These two young men were suddenly so fluent in English that they could obtain very high marks in grade 11, which is certainly very impressive.

He explained that various schools and organizations were very much in support of my interceding on behalf of these two young men with the minister, and so I talked with them. I had the same experience as the refugee board. They spoke but there were all kinds of inconsistencies in their story. One of the biggest inconsistencies was they could not tell me who financed their trip from Angola to Zimbabwe to Rome to Switzerland to New York and to Buffalo. They had no idea. They could not name the people who were their benefactors.

● (1315)

There are two problems of which we have to be aware. One is the fact that it costs a lot of money to go on the kind of particular trip we are talking about. These two young men were supposed to be the sons of a lowly chauffeur for the government of Angola. Second, is the fact that Angola is notorious for the exportation of conflict diamonds. Sierra Leone and Angola share two things in common: they are failed states with perpetual civil wars and those ugly civil wars are fueled by conflict diamonds. What is basically happening is the illicit scrabbling of diamonds out of the soil and those diamonds are usually smuggled around the world where they wind up in the hands of legitimate companies.

As has been referred to here several times, Zimbabwe of all countries is another state that very obviously is actively engaged in black market and contraband trades. These two young men went first to Zimbabwe then to Rome and then to Switzerland, the centre of the world trade in diamonds, and then on to New York and Buffalo. In my view, it was reasonable to suspect that these two young men were likely either couriers for conflict diamonds or their passage had been financed by conflict diamonds. I could hardly ask the minister to give them a minister's certificate allowing them to stay in the country and bypass the decision of the refugee board.

Where the story gets really awkward is the fact that this occurred at the beginning of the last election. One cannot imagine what happened. First, the people sponsoring these two boys made it very clear to me. They said that if I wrote to the minister and asked that these boys be allowed to stay, the minister would grant that request. Second, they indicated they would work against me in an election campaign if I did not write the minister.

What subsequently happened, and I have it here and I am sorry I cannot display it, but these individuals were good to their word. I was flooded with about 300 letters and e-mails as they went to every church and school in my riding. They went everywhere. When I campaigned door to door, people asked me what I was doing about these two young men. They asked me why I would not agree to let them stay in the country.

I want Canadians to know that MPs can resist that kind of pressure. I do not know how many votes I lost in the last election, but in the end those two young men were deported. I do not know what happened to them subsequently. All I know is that there was a genuine, reasonable doubt of the bona fides of these two young men. It would have been totally irresponsible for me, to merely guarantee my re-election, to have written the minister and ask that they stay in the country.

What does this all have to do with conflict diamonds? It has to do with the fact that these diamonds are not only used to finance conflicts abroad. They are also used to finance the movement of all kinds of illicit peoples around the world. This is the kind of payment that people smugglers take. This is the kind of payment that terrorists receive.

The member for Nepean—Carleton is very right to have zeroed in on this problem, not just because of the conflicts in Sierra Leone, Liberia and Angola, but also because conflict diamonds are financing terrorism around the world. They are financing people smuggling. It has to be stopped.

Bill C-14 is a very good bill because it basically requires legitimate diamond traders to issue or receive diamonds by means of a certificate of authenticity or source which says that the diamonds have been bought and purchased through legitimate channels and are not ultimately diamonds that have been obtained in countries like Angola or Sierra Leone illicitly.

● (1320)

I will not go through the bill in detail but I would like to draw attention to one small aspect of the bill just in case the people watching have not noticed it. That is subclause 9(2)(c) which says in effect that any diamonds which are possibly conflict diamonds and which are in the country now are exempt from this bill provided that the person who possesses them at the time this bill comes into force can show documentation on how they obtained them. In other words, if a legitimate diamond trader has diamonds that he or she knows are probably originally conflict diamonds which have been brought into the country illegally, he or she can declare this and be exempt from the impact of the bill. In other words, he or she will be able to keep the diamonds and trade them.

Here is the kicker. If, on the other hand, any trader in the country has received smuggled conflict diamonds, then he or she will not be able to present the evidence that these diamonds are indeed legitimately acquired. In other words, the beautiful trap that this bill sets is that all conflict diamonds that are in the country by way of smuggling will be trapped in the country and the only way they can be used is by smuggling them out of the country into another country. Of course I do not need to tell members that smuggling has a whole other series of penalties under the laws of Canada, with all kinds of delightful fines and terms of imprisonment. Of course this is what we want because in the end what this whole question of conflict diamonds really amounts to is the financing of death. It has to stop.

This bill takes a huge step forward. It is going forward in concert with many countries around the world. I regret to say that Canada is not actually leading this; it is among many others. However one thing that no one can take away from anyone in this place is the fact that the member for Nepean—Carleton initiated this move in the House with his private member's bill, which has now become a very fine piece of government legislation.

● (1325)

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, the previous speaker seems to be a very avid supporter of this legislation. I congratulate him in that respect. His comments were eloquent to the point of the importance of this legislation.

Being an ardent supporter of this legislation, I would like to ask the hon. member a question in relation to the issues raised by the member for Elk Island concerning sections 23 and 24 of the bill which deal with the enforcement powers, investigation and the designation document. Section 24 says that when exercising their enforcement powers investigators may enter on and pass through or over private property, et cetera.

Would he attempt to communicate to the hon. member for Elk Island that these provisions are consistent with the provisions that are in the Criminal Code and that this legislation derives its authority from the Criminal Code? Therefore everything that is in this legislation is entirely consistent with what appears in the Criminal Code.

Mr. John Bryden: Mr. Speaker, I would just say that human rights always has to take priority over property rights. I appreciate where the member for Elk Island is coming from because his party, and I do not mean this in any way in a disparaging sense, has always been a spokesman for protecting property rights.

If the member for Elk Island were to give this bill a chance, particularly after it goes to the committee stage, I think he would find that, in the interests of solving the problem of trafficking in these diamonds for unlawful purposes, the bill is a reasonable curtailment of civil liberties in terms of the need to search and seize property if there is a reasonable expectation that this property may be held for purposes that are contrary to human rights that may injure people either here or elsewhere.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, I am flabbergasted at what I just heard. I know that my colleague from Elk Island would raise the same point.

I just heard the member say that human rights would override property rights. I cannot believe that kind of statement coming from the member. Surely he would realize that property rights are one of the most fundamental of all human rights. How could he have erred in this respect?

● (1330)

Mr. John Bryden: Mr. Speaker, here we see the gap between the Liberals and the opposition member who just spoke and his party.

I do not take back my remarks whatsoever. Human rights exceed property rights. The human condition is what we as Canadians must always address first and foremost. Obviously when we have to make a choice between human rights and property rights, property rights must come second. What would happen if somebody had a ton of heroin on their premises? Are we to say that we could not go in and seize that heroin?

Conflict diamonds, like hard drugs, do the same kind of damage to human beings. We as citizens of this country, as Canadians, have to put the safety and security of human beings before the rights of private property.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I think the member has it confused. It is not a case of either/or. We are talking about the right of human beings to own and enjoy their property, a concept which the Liberals do not understand. That is why at the end of this week farmers on the prairies will be going to jail for selling their own grain. They do not understand this.

I am talking about those people who are abused when in fact they are innocent. There has to be a clause in the bill which says that if there is an investigation and if doors are broken down and safes are destroyed with explosives, there will be compensation for the loss when the people are found not guilty. That is what we are talking about.

I would like the hon. member to respond positively to that, not make those lame Liberal excuses.

Mr. John Bryden: Mr. Speaker, I do not have any problem with that whatsoever. That is not what was said by the previous speaker from the Canadian Alliance however, who would have us believe that property rights take precedence over human rights.

Of course someone whose premises have been entered in a forcible manner should have some right of recourse. I would suggest to the member for Elk Island that he should support the bill so that type of amendment can be put forward in committee. It is a reasonable thought. It has to be put in the context of similar situations as described in the Criminal Code.

I know the member for Elk Island is himself a very compassionate human being. He is simply saying in his intervention that we should always have a regard, not for property rights, but we should always have regard for individuals to whom the government may inadvertently do injury. Of course those individuals have to be protected.

I see that the member for Elk Island would agree however that if the authorities have reason to believe that narcotics or conflict diamonds are held on the premises, they should be able to enter those premises and establish whether or not such articles are there.

[*Translation*]

Mr. Jacques Saada: Mr. Speaker, on a point of order, I would like to obtain the consent of this House to adopt the following motion. I move:

> That the first report of the Standing Committee on Procedure and House Affairs dealing with the list of members and associate members of the standing committees be deemed tabled and adopted.

The Deputy Speaker: Does the deputy government whip have the unanimous consent of the House to propose the motion?

Some hon. members: Yes.

Some hon. members: No.

Mr. Jacques Saada: Mr. Speaker, I rise on a point of order. I would like it to be recorded that the opposition to the tabling of this motion, which would enable the standing committees of this House to function, comes from the Canadian Alliance.

[*English*]

The Deputy Speaker: Order. That is not a point of order.

Mr. Ken Epp: Mine is a true point of order, Mr. Speaker. The procedure and House affairs committee will be dealing with the motion to provide for the election of chairs and vice-chairs of committees this very week. Therefore, I believe it is premature to begin committees when the method for electing chairs is under debate.

However I noticed that currently on the order paper there is Motion No. 230 from the opposition House leader which amends the standing orders to provide for secret ballot elections at committees. Secret ballots make sense for the Speaker and make sense for our committee chairmen. Therefore I ask for unanimous consent to adopt Motion No. 230.

● (1335)

If the House adopts Motion No. 230 today, then the official opposition will certainly have no hesitation in agreeing with the member's proposition to concur in the report on committee membership.

The Deputy Speaker: Does the House give its consent for the hon. member for Elk Island to propose his motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: On a different point of order, the hon. member for Elk Island.

Mr. Ken Epp: Mr. Speaker, as the member opposite said, I would point out that it was the Liberals who were opposed to this.

The Deputy Speaker: Just so the Chair can be consistent, while it was not a point of order from one side of the House, it is neither a point of order for the other side of the House.

I want to make it clear that the Chair will not possibly be as generous on another point of order if it is not a different point of order. The hon. deputy whip.

[*Translation*]

Mr. Jacques Saada: Mr. Speaker, I defer to your judgment. It would seem to me that what I proposed as a motion has nothing to do with the way the chairs are elected, but rather with the composition of the committees—

The Deputy Speaker: I am sorry to interrupt the hon. member, but this is heading toward the same debate as was raised by the hon. member for Elk Island. This point of view has been submitted to the House and did not obtain consent. The matter is closed and will be brought up again at another time within another context.

Resuming debate on Bill C-14. The hon. member for Lévis-et-Chutes-de-la-Chaudière.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I am pleased to address Bill C-14, an act providing for controls on the export, import or transit across Canada of rough diamonds.

I would like to take this opportunity to congratulate the hon. member for Nepean—Carleton. While it was the minister who introduced the bill today, everyone knows that it was the hon. member who raised this issue last year.

I also want to congratulate the hon. member for Manicouagan, who addressed this issue earlier today. He gave an excellent speech and presented the various and very important aspects of this activity, while also stressing the need to do this properly, using controls. There is the whole issue of certification, among other things. The hon. member for Manicouagan is right when he says that, when it comes to protecting the interests of his region and of Quebec, he does so vigorously, as he did this morning, for which I congratulate him.

As members know, this is a very important activity. The rough diamond industry is a US $7.5 billion industry. It is said that 70 million jewels are created every year in the world, for a value in excess of US $58 billion. So, this is a very important issue.

The point raised by the hon. member is that part of what was done within the Kimberley process by NGOs and others has identified a minimum of 4% of this economic activity as going to purchase weapons. In one specific region, Africa, the three countries mentioned most often are Angola, Sierra Leone and the Congo. Trading is done through neighbouring or other countries.

Africa may seem far away, but what goes on there concerns us all. I do not see it as a waste of time to debate this subject today. The more debates there are in the House, and the more press coverage there is, the greater public awareness of the importance of this issue will be.

If I may draw a parallel here, last Friday I was with a secondary school class studying Amnesty International. These young people are very much attuned to what is going on in the rest of the world. They were quick to ask "What can we do?" People may feel helpless, but there is a lot that can be done, particularly public education so that people can be better informed and take action indirectly, even if this only means making their opinions known publicly.

The debate was raised by NGOs and by MPs, but many people took an interest, resulting rather quickly in pressure which culminated in the Kimberly process. There have been 12 international debates on the topic, some here in Ottawa, and things got moving pretty quickly.

It is urgent for this bill to be passed in order to ratify Canada's commitment in connection with this process. We in the Bloc Quebecois are in favour of this bill. We acknowledge the impact it will have. That impact has already begun to be felt, even if it has not yet been implemented, but it is a step in the right direction.

● (1340)

Many other things should be done. For example, over the last ten years, 500,000 civilians have been victimized by weapons and human rights violations in the three countries that I mentioned. I am referring to civilians who have died, but there are also civilians who have been injured. Other members have mentioned this. There have been atrocities and we must do something.

However, in terms of a broader policy, we must also consider the sale of weapons. There are countries that continue to sell weapons to groups and even to armies from certain countries, sales that are not always made under proper trade conditions.

There is also another way. I am referring to international assistance. There has been much talk of late of the crisis in Afghanistan and in Africa. Now the possibility of a conflict with Iraq looms. All too often, we forget about civilians.

I do not wish to be partisan, because not all issues are matters for partisan comments, but we have to face certain facts. In 2001, of 22 countries in the world that provided assistance, Canada ranked 18th. The country that ranked last, in 22nd place, was the United States. When it comes to aid, Canada must not view the U.S. as a model, because they may be the least generous country in terms of international assistance.

However, there are other countries that could serve as better models. For example, Denmark, in that same year, gave more than 1% of its gross domestic product; Norway gave 0.83%; Holland also gave 0.83%; the little country known as Luxembourg gave 0.8%, Sweden gave 0.76%. In the end, these are the only countries that reached the standard set by the United Nations, the famous 0.7% of GDP in international aid contributions.

With these conflicts, the reality is that the victims are people who have been displaced, people who are hungry, and there are health problems. We must keep this in mind.

As I said, we support the bill. Naturally, it is a step in the right direction, and is was urgently needed. We are therefore in agreement. We will make no attempt, either in the House or in committee, to slow down the passage of the bill. On the contrary, we will be very cooperative.

Pending ratification, people are still dying because of diamonds. In this respect, I will draw a parallel with the impact of oil around the world. Where there is oil, there are often conflicts. Oil fuels conflicts. It may not be the root cause, but it fuels conflicts around the world. That is number one.

There is also illicit drugs—let us not forget them—in Colombia, in some Asian countries and elsewhere. The diamond, however, because of its small size, combined with enormous value, is easy to market, especially under the current conditions.

Incidentally, I wish to respond to the question raised by students from the group representing the Commission scolaire de Lévis with whom I met on Friday about what young people can do. Of course, they must raise their own awareness. And often, interested young people are in a position to influence their parents at home.

I would add another element here, namely ethical investment. Sometimes, people unwittingly contribute to activities in certain countries which are more or less dubious from an ethical point of view, whether they concern oil or other economic goods such as diamonds.

One must be very aware of this possibility. One can ask questions at one's mutual fund managers' meeting: Where are we investing? It would seem that large corporations are increasingly aware of this. The impact is extremely important. There are also our actions as consumers.

● (1345)

Let us take the example of diamonds. In Canada, buying diamonds is probably done properly, but again the Kimberley process must be more closely followed. We often hear people say that, when they visited certain countries, they were able to buy goods —I am referring to jewels—for such and such a price, but that they did not pay any tax. They probably got these jewels on the black market. First, it is a risky thing to do. Also, not only are these people not sure of the quality of the diamonds, they are also contributing to an underground economy that can serve non-humanitarian purposes.

Today, I would like to bring my small contribution to this debate. After hearing our party critic and the other hon. members who have spoken on this issue today, I can see that that the House is off to a good start this week. I heard reasonable, intelligent and useful comments. This is an issue on which every citizen should reflect. As we know, not everyone listens to the debates of the House of Commons. However, most members of Parliament can use the various means put at their disposal by the House of Commons to convey to targeted groups information on important issues such as this one. This is a very relevant issue, one that is of real interest to our constituents. Even though the bill was introduced by the minister, I congratulate the hon. member who, through his initiative, helped ensure that all parliamentarians support the Kimberley process.

I remind the House that the Bloc Quebecois supports the bill. We will be very cooperative regarding similar initiatives that relate to human rights and to humanitarian issues around the world. We should ask the public to do the same.

[*English*]

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I am very pleased to take part in the debate on the bill today, Bill C-14. I think it is a positive step and one we can embrace as doing something positively as a partner in the international community to eradicate the possibility of continuing this horrible torment of conflict diamonds.

We only have to see the effects of what has happened in some of these African nations to realize how important it is for Canada to advocate the Kimberley process and to be on side with our legislation in time to have a simultaneous process start in January of next year.

I say that for a number of reasons . First let us go to the international reason. Canada has been at the forefront. I, along with my colleague from across the way, wish to congratulate the member for Nepean—Carleton for his work and advocacy on this issue. However we have also been working at it through UN resolutions during Canada's time at the security council. We have been involved in all the ministerial meetings leading up to the process of implementation.

A lot of Canadians do not understand what this process means. It means good economics for Canadians. We have in our north and throughout the provinces a nascent diamond cutting, mining, polishing industry. Recently we have heard that Tiffany wants to polish diamonds in Canada. This is great news. Hundreds of people are currently employed in the diamond industry and we could be employing thousands more.

I was very pleased to hear my colleague from the Bloc being positive and on side with this process. It is one that will help us with our economy nationally and one that will help us as a playing partner. We know that 48 nations are currently involved. Those 48 nations represent 98% of the world's diamond producing nations. We have the players around the table. I know we are heading into further meetings in November. Hopefully this Parliament can show that it can work efficiently to move things along.

I believe that members of the House from time to time do have legitimate concerns. I want to address my interpretation of the process, which I hope is the right interpretation, but we will work this out at committee stage to convince those members who have concerns.

I have heard a concern from the member for Elk Island. As a lawyer in my former life before this place, my knowledge is that when a bill does not have a process in place about search and seizure, then the Criminal Code process is utilized. I believe the Criminal Code process of warrant and search and seizure will be used with all the safeguards we have under the Criminal Code.

Therefore I think the hon. member's interpretation of the two clauses in question, clauses 23 and 24, will be straightened out in a way that addresses the concerns of my hon. friend. I have worked with him many times in the House and in many committees. I know it is an honestly felt concern about privacy and property. I believe that is something with which the member should not concern himself.

The bottom line is that we are trying to place an international certification on the import and export of diamonds. If we want to be a player in this part of the economy, we have to be part of this process. There is the morality issue of not wanting to purchase or be trading in any conflict diamonds.

I was in Sierra Leone for a week last year training potential female parliamentarians who had come out of a decade of civil war. I and a former member of the House, Audrey McLaughlin, visited Sierra Leone with other parliamentarians from Nigeria and Ghana. We spent a week in Freetown and helped train some of the women to take their place in their parliament. In fact in the elections held within months after our visit the female members of parliament went from six to sixteen. It was a successful intervention.

While I was in Sierra Leone I saw the results of the conflict. If they say a picture is worth a thousand words then members would be impacted as immensely as I was to see many children with their limbs cut off as a format of the civil war that went on. What was the cause of that civil war? It was the guerrilla actions that revolved around an illicit industry on the wealth of a nation, a wealth that went underground and by illicit means out of the country as opposed to legitimately raising the value of the economy for the whole population to share in the wealth as it grew.

● (1350)

Let us help all the people in those countries right now, get involved in a conflict resolution situation where they can export what they have underground in their alluvial rivers, where they can mine the diamonds. I congratulate South Africa, the Congo and all the other players that have worked so hard to put this process in place.

Let us be a participant. Let us not bicker along partisan lines. Let us do something that is right for Canadians, the Canadian economy and all of us around the world who want to get these international resolutions of problems done in a manner that helps everyone. Let us not do it two years from now, but let us do it so we can be a player and go forward with the process of certification for our diamonds leaving Canada and for all the diamonds in transit that we receive from other countries. Let us do something right and let us do it expediently.

● (1355)

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, they are picking on me because I pointed out a serious flaw in the bill. The member said that I should not be concerned about search and seizure. I am concerned about it. There is no compensation. She said that if it is not covered here, it is covered by the Criminal Code. Well the Criminal Code is wrong too.

I know a young man, a fine, clean shaven guy who showed up at the border in a nice car. He is a hard worker and earns money. At the border his car was ripped apart. The dash was wrecked, the door panels were taken off, and the trunk was ripped apart. There was a whole bunch of damage. He did not receive compensation. He is totally innocent. He does not smoke cigarettes or drink alcohol and it was thought he was carrying contraband. It was a false accusation and he is entitled to compensation.

Those people over there just do not get it.

Mrs. Sue Barnes: Mr. Speaker, sometimes when we try to help in a situation it is not always perceived as help. There is nothing I can do about that.

In my opinion the Criminal Code search and seizure provisions would apply in this situation. There are no search and seizure provisions in Bill C-14 so we do use all the due process that we normally have in this country. That being said, after the bill leaves this place, it will go to committee where all members can assert themselves in the manner they deem most appropriate.

The Deputy Speaker: There will be approximately eight minutes remaining in the period for questions and comments for the hon. member for London West after oral question period.

STATEMENTS BY MEMBERS

[*English*]

CANADIAN CENTRE FOR ETHICS IN SPORT

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, I wish to acknowledge the recent announcement by the Government of Canada to provide $2.4 million for the fiscal year 2002-03 in support of the Canadian Centre for Ethics in Sport.

The centre is Canada's independent anti-doping organization mandated to deliver the Canadian anti-doping campaign which includes programs of education, testing, research and international compliance.

Canada continues to be a world leader in the fight against doping in sport. Such leadership is essential to ensure that sport for our children is built on a foundation of fair play and ethical values.

I commend the Government of Canada on its recent funding announcement and the leadership it continues to show in the area of anti-doping.

* * *

TERRORISM

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, on October 12 terrorists murdered nearly 200 people, mostly Australians, in Bali. This event should be a wake-up call for those in our country who think we are safe, yet what is our government's response? Nothing.

Our government still allows terrorist organizations like Hezbollah and others to raise funds in Canada. It has gutted our security and intelligence services. It has grossly underfunded our military to the extent that our minimum military needs for a domestic emergency cannot be met, nor does it fund our international military obligations, preferring to chant that we are the best country in the world while holding on to the coattails of our allies to protect ourselves and others.

The government's vacillating uncoordinated approach to the terrorist threat puts Canadian lives at risk. What is the government's response? Another Bali bombing here in Canada?

* * *

[*Translation*]

YWCA WEEK WITHOUT VIOLENCE

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, this week is the YMCA Week Without Violence, an occasion for all Canadians to become more aware of the consequences of violence in our society.

A variety of themes will be addressed in the week's activities, including eradicating bullying and creating more peaceful communities.

Canada may not be one of the most obviously violent of countries, but according to Statistics Canada, there are more than 300,000 violent crimes annually. As well, family violence drove close to 90,000 women and children to emergency shelters last year.

The federal government has taken several steps to help eradicate violence in all of its forms, in particular the legislation against organized crime, firearm registration and the prevention of delinquency.

I encourage all of my colleagues to join in this movement to find lasting solutions to violence, for the good of our communities.

* * *

● (1400)

ROYAL 22ND REGIMENT

Mr. David Price (Compton—Stanstead, Lib.): Mr. Speaker, 88 years ago, on October 21, 1914, one of the most illustrious of the Canadian Forces Infantry Regiments was born: the Royal 22nd Regiment.

Among the regiment's 21 battle honours are Flers-Courcelette, Mont-Sorrel, the Somme, Ypres, Vimy, Sicily, Northwest Europe and Korea.

The blood shed by its valiant members on the battlefields of Europe and later in Korea has helped forge its reputation for excellence, a tradition handed down for the past 88 years to each member of the regimental family.

Last September, the 1st battalion of the Royal 22nd Regiment was the recipient of the first Commander-in-Chief Unit Commendation awarded by the Governor General of Canada for its reopening of the Sarajevo Airport in July 1992.

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I invite all hon. members to join with me in expressing to the Royal 22nd best wishes for a happy anniversary and for many more such anniversaries.

* * *

[*English*]

CANADIAN ACCREDITED INSURANCE BROKERS

Mr. R. John Efford (Bonavista—Trinity—Conception, Lib.): Mr. Speaker, I am pleased to ask the House to join me in recognizing the accomplishments of four of my constituents, Kelly Smith, Renée Batten, Dianne Parsons and Daphne Dawson, who have recently earned the Canadian Accredited Insurance Broker professional designation through the Insurance Brokers Association of Canada. These individuals are recognized by their peers and colleagues throughout the insurance industry as having achieved a very high standard of professional competence and integrity.

The CAIB is a national education program involving four challenging courses of study covering both technical and applied knowledge, each of which concludes with a comprehensive final exam. IBAC is the national trade association that brings together and represents Canada's 11 provincial and regional associations of property and casualty insurance brokers.

I ask the House to join me in congratulating these individuals and wishing them further success and achievements.

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PRAIRIE FARMERS

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, on Friday, October 4 the editorial board of the *Ottawa Citizen* said that the government should eliminate the Canadian Wheat Board or turn it over to the farmers themselves with membership entirely voluntary. I am quoting from the *Ottawa Citizen* editorial:

> It is offensive that anyone is required to sell his production and skill to one buyer, namely the federal government, at the price it determines in secret. When the federal government defends the existence of the wheat board, it is defending the expropriation of farmers' property. Virtually no other profession in this nation—and that includes grain farmers in Ontario and Quebec—is forced to give up the efforts of its own production to a government monopoly. It's time we put to pasture the notion that farmers shouldn't be allowed to grow their business like any other.

All Canadians should be very concerned about the use of government force to expropriate private property from prairie farmers because next time, it might be the Liberals coming after their property.

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GOVERNOR GENERAL'S AWARDS IN COMMEMORATION OF THE PERSONS CASE

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, it is my pleasure to rise in the House today to acknowledge the occasion of Michele Landsberg's receipt of the Governor General's Award in Commemoration of the Persons Case. Awarded annually to six Canadian women in recognition of their outstanding contribution to society, these awards commemorate the Famous Five, the women who fought to guarantee recognition of women as persons.

Passion, fearlessness and determination are all words used to describe Michele Landsberg as a writer, a speaker and a person. A resident of St. Paul's and a columnist for the *Toronto Star*, she works tirelessly to bring a human side to her columns and provides a strong voice for women and children both through her writing and in public. She works hard behind the scenes as well, volunteering her time as an advisor and an activist to feminist, anti-poverty and social justice endeavours.

I congratulate Ms. Landsberg, as well as the other five women who received this honour.

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[*Translation*]

FÉDÉRATION DES AGRICULTRICES DU QUÉBEC

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, this year, the Fédération des agricultrices du Québec is celebrating its 15th anniversary. In 1987 a group of women came together to develop a true community and meaningful professional strength in the evolution of agriculture in Quebec.

For the women involved, the challenge at hand was to have the agricultural sector recognize their invisible contributions. In 15 years, these women have established structures giving them access to power and ensuring their right to property. The actions by the women farmers of Quebec have led to significant changes and have eliminated the discriminatory clause that made the spouses of farmers ineligible for grants.

The Bloc Quebecois would like to publically thank the women farmers of Quebec, recognize their merits and encourage them in their work to affirm the place of women in agriculture.

* * *

● (1405)

[*English*]

COMMUNITIES IN BLOOM

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, I rise today to applaud the efforts of the city of Barrie which, along with the Parish of Saint Hellier, capital of the island of Jersey in Great Britain, took first place in the international challenge category of the 2002 Communities in Bloom competition. This competition is a national municipal beautification contest with a focus on flowers, landscaping, gardens and environmental awareness.

The city of Barrie entered 320 gardens, competing with gardens from Ireland, England and the United States. It was its first time competing in the international category. Many thanks to city of Barrie alderman Patricia Copeland, and Mona Boyd, the city's horticultural supervisor who supported the city's participation in this event.

Congratulations to the city of Barrie for its bloomin' success.

* * *

TERRORISM

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, I rise today to pay my respects to the victims of Bali's horrifying nightclub bombing. With close to 200 dead and over 300 wounded, the attack is the worst act of terror in Indonesia's history. It struck in the heart of an island that has been renowned as a vacationer's dream. On October 12 that dream turned to a nightmare.

Many of the people killed in the blast were young. Among them were travellers, surfers, rugby players and newlyweds. As we know, many of those killed in this incident were believed to be Australian. Our thoughts are with that country which has suffered such an enormous loss.

Four Canadians were injured in the blast. Mervin Popadynec, a Calgary rugby player and oil industry engineer, is still missing and presumed dead. Our hearts go out to his family, friends and teammates at this difficult time.

This bombing was a senseless act of terrorism targeted at the values of freedom and liberty.

On behalf of the Canadian Alliance, I offer our sincere condolences to the families of all the victims of this horrible tragedy.

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PARLIAMENTARIANS AGAINST CORRUPTION

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, for two and one-half days last week, parliamentarians from 60 countries gathered in this chamber to discuss ways and means to combat corruption. They formed the Global Organization of Parliamentarians Against Corruption, an action oriented global network to help parliaments and parliamentarians in fighting corruption. Governments will benefit from this parliamentary initiative made possible by the determination and commitment of the member for St. Albert. He deserves applause and support.

The fact that 168 parliamentarians from all continents participated sends a clear signal to governments and business that corrupt practices are coming under close scrutiny and will be dealt with. The organization will meet again in two years to measure progress and adopt new measures to fight corruption in its many forms.

Congratulations to the hon. member for St. Albert.

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TERRORISM

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, on behalf of my NDP colleagues, and I am sure I speak on behalf of all members here, I express our deepest sympathy to the people of Australia as they mourn the loss of so many of their fellow citizens in the senseless act of barbarism that took place in Bali and which also took the life of a fellow Canadian, Mervin Popadynec, from Wynyard, Saskatchewan.

We share the horror and sadness of Australia and of all others whose lives and families have been scarred by this act of meaningless violence, particularly, of course, the Popadynec family in Saskatchewan.

Let those of us who practise politics rededicate ourselves to finding political solutions to the world's problems. Let those who practise such terrorism be caught and brought to justice and let others who contemplate such violence cease and desist: They are a discredit to our common humanity.

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[*Translation*]

HIGHWAY INFRASTRUCTURE

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, the residents of my riding and all of Montérégie are disappointed by the evasive comments made by the federal Minister of Transport regarding highway 30.

He recently announced that the agreement to extend would be ratified soon. However, we learned that he was still at the stage of all kinds of studies. When this government says soon, it most certainly does not mean soon, and that is disappointing.

Already, back in January 2001, the federal Minister of Transport said that highway 30 was a priority. Apparently the word priority does not mean anything for this government. In the end, all the federal Minister of Transport is trying to do is appease the people of Montérégie and put off indefinitely signing the memorandum of understanding with the Government of Quebec, which has been ready for a long time now.

The residents of Montérégie have been waiting for this highway for a long time now. The words soon and as soon as possible and priority no longer mean anything, and this is cannot go on. How long will it take for a priority to become a reality?

* * *

● (1410)

[*English*]

AUTISM MONTH

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, October is Autism Month. Autism brings many challenges to children and families. Autism spectrum disorders appear at birth or very early in a child's development. They affect essential human behaviours such as social interaction, the ability to communicate ideas and feelings, imagination, and the establishment of relationships.

The Government of Canada is committed to improving the health and well-being of all Canadians and will continue to support efforts by provinces and territories to provide services for those affected by this disorder. Included in these initiatives are the federal disability strategy, the Centres of Excellence for Children's Well-Being, and the community action program for children. The government also supports the UN convention on the rights of the child.

We must continue to strive to support families and children of all ages, including those with disabilities such as autism. I wish to congratulate and thank the Peterborough chapter of the Autism Society for its fine, caring work.

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MEMBER FOR CARDIGAN

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, despite allegations of corruption and political patronage, the Solicitor General has feebly maintained that the good people of Prince Edward Island have benefited from his patronage contracts. The Solicitor General would have us believe that the patronage contract to his brother, the patronage contract to the president of the P.E.I. Liberal Association and the patronage untendered contract to his personal friend are in the best interests of all. How can the benefit to a few be so advantageous to the P.E.I. masses?

It is the Solicitor General's blatant unethical behaviour that gives all politicians a black eye. When we put our names forward to the public, we are expected to fulfill our duties with the highest of integrity. Those who hold public office know that if something has any scent of impropriety it must not be done. The Solicitor General has not passed this litmus test. The Prime Minister must replace this minister right now and he must do it for the good of the government, for his party and for this country.

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BIOFUELS

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, Canada must develop a biofuel industry quickly and aggressively. Biofuels such as ethanol and biodiesel offer us cleaner, greener, renewable energy resources.

We forget that fossil fuels have huge hidden environmental, medical and social costs. We fail to realize that the biofuel industry will stimulate the rural economy, creating employment and investment opportunities while helping farmers to diversify into new markets. Most important, the use of biofuels will help us reach our Kyoto commitments in the reduction of greenhouse gas emissions.

Canada's biofuel industry cannot go it alone. It needs support for greater innovation and infrastructure. I encourage the government to support new ethanol and biodiesel processing plants, establish renewable fuel content targets and reduce excise tax on biodiesel. I urge the government to lead the way by increasing the use of biofuels in federal government vehicle fleets.

This issue is of critical importance to Canadians. The government must respond now.

* * *

GRAIN TRANSPORTATION

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, grain terminal workers at the Port of Vancouver have been locked out for eight weeks. The situation is becoming desperate for the transportation of this year's crop, which already has been doomed by summer drought.

Agreeing that the grain handling system is inefficient, many farmers feel the situation could be improved if transportation of grain becomes the responsibility of the buyer. This would remove some of the risk farmers face when moving their product by channels plagued by problems such as the grain workers lockout in Vancouver.

There are no winners and a lot of potential losers in this current dispute. Grain handlers were locked out on August 25. The government has done nothing to solve this two year dispute. No one benefits from strikes and lockouts when final offer selection arbitration is an option. I urge the government to intervene in this grain handlers dispute by compelling the parties to seek immediate third party arbitration.

* * *

WOMEN'S HISTORY MONTH

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, it gives me great pleasure to recognize that Women's History Month 2002 is celebrated during this month of October. This year the theme for Women's History Month is "Women and Sports—Champions Forever!".

In October 1992 the Government of Canada launched Women's History Month to encourage greater awareness of women's contributions to Canadian society and to recognize the achievements of women as a vital segment of our Canadian heritage.

In the Speech from the Throne the government stated that it will work with its partners to develop a national strategy for healthy living, physical activity and sport and will convene the first ever national summit on these issues in 2003.

Recently I decided to become physically healthy again. I quit smoking, and our colleague, the Minister of Health, took part this month in the CIBC Run for the Cure, to find a cure for breast cancer.

October is a great opportunity for all members to set an example, show leadership and become physically healthy again.

ORAL QUESTION PERIOD

● (1415)

[*English*]

KYOTO PROTOCOL

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, today was supposed to be the day the government showed the provinces its implementation plan for the Kyoto accord, but there is still no plan and province after province is dropping its support.

The Ontario government has warned that for Ontario the accord will mean "huge job losses, a huge drag on the [economy] and billions of dollars in lost revenue".

Will the government now admit that it should not ratify Kyoto until it has a plan and until it has built consensus around that plan?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the delay in the meeting is so that we can take advantage of the consultations that are taking place.

It also allows us to take advantage of the very important work done by the Alberta government, which presented a paper only two or three days ago. In addition, the province of Quebec has made representations in the last few days which are very valuable to us as we assess what we should do on the 28th of this month.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if it is going to delay its plans it should delay the ratification as well.

As the minister said, last week the Alberta government tabled its plan for the reduction of carbon dioxide emissions without destroying the economy. Will the federal government now agree to work with the Alberta government on its alternative to Kyoto?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the Leader of the Opposition must have taken some absence from this place. We have been working with the Province of Alberta since 1997 on the Kyoto accord.

The Alliance members who surround him also appear ignorant of the fact that it was Alberta and the federal government that chaired the federal-provincial-territorial working group for five full years.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, Albertans will never forget the attitude of this party toward Albertans on energy issues during the national energy program. We expect the government to work with the provincial government on this.

[*Translation*]

The federal government promised that it would consult the provinces before ratifying the Kyoto protocol. However, the implementation of this agreement will inevitably result in interference in provincial jurisdictions, both shared and exclusive.

Will the government pledge to not implement the Kyoto protocol without the consent of the provinces?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, it is very simple. The federal government has certain powers and the provinces also have powers. We want both levels of government, including the territories, to work together to arrive at a plan for Canada in which no region of the country will be adversely affected.

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[*English*]

ETHICS

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, last week the Prime Minister was minutes away from firing his Solicitor General. A cabinet shuffle was imminent because of the unethical behaviour of the man of Green Gables.

Today the Solicitor General is still there—

Some hon. members: Hear, hear.

Mr. John Reynolds: The former defence minister argued that the sins of the Solicitor General were the same as the ones he committed.

We have known for weeks that the Solicitor General ignored any thinking person's idea of ethical guidelines. Is the Solicitor General going to remain in place? What is the Prime Minister waiting for?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the Prime Minister will review the report that Mr. Wilson has been working on and give it full consideration.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, from the standing ovation it seems that some of them already know what is in the report.

They call it the Liberal limbo. The Prime Minister sets the bar so low his ministers can tunnel under it and they choose not to step over it.

Is it not true that the Prime Minister will not fire the Solicitor General because he does not know how many other ministers would be forced to follow the Solicitor General out the exit door?

● (1420)

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the notion of the hon. member trying limbo now is intriguing to think of, to say the least, but I am sure he will recover soon.

I think it is fair to say that the Prime Minister ought to have the time to review the report that Mr. Wilson is preparing.

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[*Translation*]

KYOTO PROTOCOL

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Alberta's environment minister recognizes that Quebec produces little greenhouse gases, but feels that Quebec should do more than Alberta to reduce gas emissions, even though that province is a bigger polluter. Alberta's minister even went so far as to ask Ottawa to crack down on Quebec.

Does the federal Minister of the Environment share the twisted logic of his Albertan counterpart? If he does not, will the minister condemn it by proposing an implementation plan that takes into account Quebec's good performance?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, we have no intention of discriminating against any region of the country. This is why it is so important to enlist the cooperation of the provinces and territories to develop a national plan.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, thanks to huge federal grants, Alberta got rich for years with its oil and gas, without any regard for the environment, while Quebec developed, at its own cost, its hydroelectric energy, which is a clean form a energy. Quebec is still prepared to do its share, but only its fair share.

In this context, does the Minister of the Environment agree that implementation of the Kyoto protocol must include the polluter-pay principle, a principle that is fair for everyone, including Alberta and Quebec?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the most important principle to us is that no region must be adversely affected by the implementation of the Kyoto protocol. That is the basic principle. The other principles—and there are many, including the least expensive approach, for example—would hurt one region or another in one way or another.

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, the federal plan to implement the Kyoto protocol seeks to reward those industries that pollute the most by making more emissions trading permits available to them than to those that have been polluting the least since 1990.

Does the Minister of the Environment recognize that this approach basically waters down Kyoto to please the lobby of the most polluting industries at the expense of those that have made efforts in the past?

Hon. David Anderson (Minister of the Environment, Lib.): No, Mr. Speaker. The federal government intends to implement Kyoto and to meet the target of reducing emissions to 6% below 1990 levels.

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, the minister did suggest that by using 2010 as the reference year instead of 1990, the minister is letting polluters know they need not fear, they can keep on polluting until 2010.

Does the minister realize that such an approach penalizes those who made efforts in the past and that he is sending polluters the message that he who pollutes will be rewarded, basically that, in the long run, polluting pays off?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I do hope that, on the 28 of this month, when the provinces and territories get together with the federal government, we will discuss which reference year is the most acceptable to all levels of government.

I realize that the province of Quebec has taken a very clear position on the matter, and I respect this position. But there are also other provinces, whose views are different.

* * *

[*English*]

FOREIGN AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, on September 26 Canadian citizen Maher Arar was detained and imprisoned in New York by the U.S. government while in transit from Tunisia to Canada.

With no legal counsel present, Mr. Arar was subjected to secret interrogations and then deported, not back to Canada, which he requested, but to Syria. According to the Syrian government he never arrived.

Where is Maher Arar?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, we remain extremely concerned about the case of Mr. Arar. I have raised this issue with American authorities, with the ambassador and at the highest levels, to register our concern with the fact that Mr. Arar is a Canadian citizen and should have been treated as a Canadian citizen.

Our concern at this time is to find Mr. Arar and allow his family to enter into contact with him. This government is sparing no efforts whatsoever, and in fact we are exercising all our efforts to ensure that we are able to do that.

● (1425)

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians are not looking for concern, they are looking for answers. Maybe we need to issue a travel advisory telling people it is not safe to go to the U.S. these days.

What Mr. Arar's family wants to know and what Canadians want to know is whether the minister demanded the Americans' evidence that in fact they deported him to Syria. We want to know what route he took. We want to know what flight he was on. We want to know who accompanied him. We want to know if he arrived in Syria.

Did the foreign affairs minister get answers to those questions and, if not, why not?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, we have inquired of Syrian authorities and other authorities in that region to ascertain the presence of Mr. Arar. We have so far not been able to find an answer to our questions but that does not mean we are not making all efforts to do so. It is unreasonable for the hon. member to suggest that we are not making all efforts necessary to protect the life of a Canadian citizen who was abroad.

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KYOTO PROTOCOL

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Deputy Prime Minister.

Eight provinces have now said that they will not support the Kyoto accord until the government presents a detailed plan. The Prime Minister postponed today's meeting to finally show the provinces his peekaboo plan for Kyoto.

Is it the federal government's position that it can give effect to the Kyoto accord without the agreement of the provinces, and is it still the government's intention to have the deadline of the end of this calendar year respected for the ratification of the Kyoto accord?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, as I mentioned earlier, it is extremely important to have all three levels of government, territorial, provincial and federal, working together on an implementation plan for Kyoto. By doing so we can reduce any negative impacts and we can maximize the many benefits of the Kyoto accord.

We fully expect to work with the provinces. We know that as we get closer to the date, yes, certain positions will be taken, some of which are negotiating positions, some of which are firmly held, but we fully expect at the meeting next Monday, a week from today, to have a very constructive discussion with the provinces and territories.

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THE ENVIRONMENT

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, we have more mismanagement on the environment. Tomorrow the commissioner for the environment will table a damning report on the mismanagement of 1,200 contaminated sites under federal jurisdiction.

Oil products, heavy metals, carcinogens and other chemicals from abandoned mines, DND sites and toxic dumps are not only harmful to the environment but also to human health. The commissioner will highlight that the government has no plan or strategy to clean up these federal sites despite two passing mentions in throne speeches.

My question is for the environment minister. What will the environment minister do to clean up the toxic legacy of the Prime Minister?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I urge the hon. member to look at the throne speech where he will see references to contaminated sites under federal jurisdiction. We will of course be putting out more information on this before the House as time goes on.

I entirely agree with him. We certainly should react as quickly as we can to reduce the number of contaminated sites and reduce the impact on health and the environment of those areas.

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GOVERNMENT GRANTS

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, while the Solicitor General desperately tries to dig himself out of the hole he created while sole sourcing contracts to his political pals, the dirt keeps piling up around him. The rot runs deep and wide in his department. According to auditors, Correctional Service Canada handed out millions of dollars while "ignoring rules".

Could the Solicitor General explain how $4 million worth of grants were awarded by one of his departments when in some cases applications were never even submitted?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, if my hon. colleague had any desire for an answer he would have given me some detail before he asked such a specific question.

The fact of the matter is that all departments are under the scrutiny of the Auditor General and if anything inappropriate happens it will be found and attended to.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, we have asked the Solicitor General the same questions for the past week and he still has not come up with those answers.

The auditors found that 30% of $4 million worth of grant agreements were not compliant with Treasury Board guidelines.

Could the Solicitor General to explain his department's awarding of grants when there was no documented evidence that the recipients met the specific criteria needed?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, on the first part of my hon. colleague's question, I have answered the questions for two weeks for him but he cannot seem to absorb the answer.

The fact is that any advice from the Auditor General is taken very seriously by my department and anything that requires adjustment will be adjusted.

● (1430)

[*Translation*]

FOREIGN AFFAIRS

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, at the latest Francophonie summit in Beirut, which the Prime Minister of Canada attended, the participants reaffirmed, in the presence of Algeria, their desire to work to maintain peace in the world, the francophone world in particular.

The Foreign Affairs web site identifies Algeria as a place Canadian tourists should avoid. Can the Minister of Foreign Affairs tells us whether he supports his department's warning?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada takes great pride in being part of the Francophonie and we are proud of the Prime Minister's participation at Beirut.

We work in conjunction with all of the countries of the Francophonie, of course. Algeria, or certain regions of it, remains unsafe. It is, of course, our duty to inform Canadian citizens of this, but we continue to work with Algeria, with the Francophonie, and with the rest of the world to try to bring peace to all regions of the world.

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

How can he explain that the moratorium on deporting Algerian nationals back to their country of origin has been lifted, whereas Canadian nationals are being asked to avoid this country because of the indiscriminate killings of innocent civilians that have gone on for years and continue to this day, with at least seven more fatalities this past weekend?

Mr. Mark Assad (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the reason the moratorium was lifted was to regularize the system. Canada has no intention whatsoever of either organizing a blanket deportation or granting a general amnesty. Each individual case is examined on its own merits, with compassion and on humanitarian grounds.

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[*English*]

GOVERNMENT GRANTS

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the Solicitor General has been a very busy boy. Now we discover that he has broken every rule in the book to funnel a half a million dollar grant to a summer theatre program run by yet another brother, James MacAulay, but the program criteria specifically prohibits grants for projects of a "recreational nature", like maybe a theatre.

Could the minister explain why the rules do not have to be followed if the grant recipient is family?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, they obviously understand the answer, the answer being of course that the grant was not provided to any family member.

An application was received by the Community Economic Development Organizations which represents community representatives from the province of Prince Edward Island. When the grant was accepted it was for a cultural initiative. It was accepted to increase tourism visitation in Prince Edward Island. That is what was done.

The continuous references to organizations being the family property of a MacAulay member is absolutely and categorically false. I encourage the hon. members opposite to reflect on the fact that Prince Edward Island has a series of non-profit organizations—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, I guess we should forget *Sleepless in Seattle*. First we have clueless in Cardigan and now we have stunned in St. Barbe.

The fact is the program criteria says that grants are to go to knowledge based, economy type projects. This obviously does not qualify. Specifically it says that it should not go to recreational type programs. Why is it that when it comes to family members these criteria do not apply?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, the Canadian Alliance Party has said on a regular basis that Atlantic Canadians are defeatists. It has said on a regular basis that we should basically just drift away from Canada.

When it wants to say stunned or it wants to say that we are defeatists, what it really wants to do is project the image that Atlantic Canadians are second class citizens, and this side of the House will have nothing to do with that.

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[*Translation*]

TAXATION

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, in his last budget in December 2001, the former Minister of Finance was predicting a surplus of $2 billion for the year 2002-03. Today, six months from the end of the fiscal year, the current Minister of Finance is refusing to provide a credible estimate.

How is it that the government could give us an estimate of the budget surplus 15 months in advance, yet now it refuses to do so five months before the end of the current fiscal year?

● (1435)

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, we all know that forecasts are always difficult to make. Take the example of the U.S., where there was a $400 billion refund; now they have a deficit of $165 billion.

I am very proud of the fact that, here in Canada, we have a surplus and we have paid down the debt with this surplus.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, clearly the current minister has kept the same approach as his predecessor.

Will the Minister of Finance acknowledge that the reason he is denying the existence of the fiscal imbalance and hiding the surplus like this is to avoid his obligations and deny Quebec and the provinces the opportunity to invest the money in health and education?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the surplus is not being hidden. In fact, we know that the federal government's debt load is twice that of the provinces.

Canadians everywhere will benefit from our reducing the debt. It is in the interests of all Canadians. This does not indicate any fiscal imbalance at all. In fact, we have done a good job of managing the books at the federal level.

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[*English*]

MIDDLE EAST

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, our Prime Minister spent his weekend at the francophonie summit rubbing elbows with a world renowned self-proclaimed terrorist whose stated goal is to disrupt any prospects for peace in the Middle East.

Why did the Prime Minister at some point during this conference, while he was out on his weekend pass, not publicly condemn this terrorist and demand an apology from the Lebanese president who was already himself making one-sided comments about the Middle East situation?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the Prime Minister was one among many world leaders, presidents of many countries invited to an event to address the opening of the francophonie summit. Lebanon, the host country, has control of the invitations. Those invitations are not vetted by the Prime Minister or any other attendee.

The francophonie summit permits us an opportunity for dialogue on cultures, on civilizations, on human rights and on other issues.

Our policy on Hezbollah is clear. We condemn its military wing as terrorists and we engage in dialogue with those with whom we wish to gain peace.

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, our Prime Minister was one of many leaders. It is too bad he did not make Canadians feel proud by being the one to condemn the fact that terrorists were there.

The government continues to refuse to seize the assets and ban the fundraising activities of Hezbollah on Canadian soil while our Prime Minister schmoozes with their people on other soil. There is no guarantee that the funds raised in Canada will not be used for terrorist activities. Why will the government not ban their activities and cease the fundraising of that terrorist group here in Canada?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, our position on Hezbollah is very clear. It is the same as that of the British government and most other governments of the world. We have condemned the military wing as a terrorist organization.

The policy of the government and the tradition of this country has always been one of seeking dialogue as a way of solving problems. It would not be consistent with that approach and in trying to defeat terrorism for us to name Lebanese members of parliament, teachers, doctors and farmers in southern Lebanon as terrorists.

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CULTURAL POLICY

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, at the fifth meeting of the International Network for Cultural Policy in Cape Town last week ministers of culture and senior officials from 21 countries expressed their support for an international instrument on cultural diversity.

Could the Minister of Canadian Heritage inform the House of the progress of those discussions and on the need for such an instrument?

● (1440)

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, it is clear that the consensus that has been achieved at the International Network for Cultural Policy, including for the first time the government of China's presence, in the search for convention to deal with cultural diversity outside the WTO is that there is a growing world belief that to have true globalization we need to have a dialogue among cultures. One of the ways of ensuring that is an instrument which was subsequently endorsed at the Sommet de la francophonie and for which Canada is a founding partner. The INCP has been working very hard and will continue to work toward an international protection for all the world's voices.

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KYOTO PROTOCOL

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I cannot compete with the member for Medicine Hat when it comes to alliteration, but I would like to ask the Minister of the Environment about his kamikaze strategy on Kyoto.

We support the Kyoto accord, but the federal government is making it harder. We are not sure which is the greatest enemy of the accord: the resistance of certain provinces or the incompetence of the federal government.

I want to ask the Minister of the Environment, what gives? You cancelled the meeting. Do you have a plan? Will you ratify by the end of the year? You would not answer the question earlier. Will you commit to ratifying the Kyoto Accord before the end of this year like you promised over and over again?

The Speaker: I am sure the hon. member for Winnipeg—Transcona was directing his question to the Chair, but of course the Chair will not be ratifying anything. The Minister of the Environment will answer the question as I assume it was directed to him.

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, as a candidate for the leadership of the New Democratic Party federally, I can understand why kamikaze is well on the mind of the hon. member. I wish him luck in avoiding the fate that he has set for himself.

With respect to the date, it remains the same. The Prime Minister announced in June of last year that he hoped to have ratification this year. It is still our intention and our wish to have it this year. There is plenty of time. I would just remark that since that 18 months, since June of last year, there has been a one week delay in one meeting.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, we wish the Minister of the Environment, not you, Mr. Speaker, would show some real enthusiasm for Kyoto and all the benefits that could come to Canada both economically and environmentally, if the government would just show some enthusiasm, and make it clear that this is a national project, that we are going to do it together and that no one particular region will be disadvantaged unfairly. Say it, get on with it and let us have ratification and implementation not in 10 years but very soon.

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the problem with the would be leader of the New Democratic Party is of course he is so involved in the internal debates of that party he is not paying attention to speeches made elsewhere. I indeed am an enthusiast for the Kyoto protocol's opportunities on the economic front. They are dramatic. That is why I say that while we can add up as much as we want, the potential job loss on one side is almost certain to be exceeded by the job growth on the other.

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NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, between 1942 and 1946, the Department of National Defence and the National Research Council experimented on Canadian soldiers by exposing them to the worst chemical agents, including mustard gas, at CFB Suffield in Alberta. Now 60 years later those brave soldiers are suffering from a wide range of health problems linked back to those tests.

Is the Minister of National Defence prepared to compensate these men or will the government force them to go through another costly legal battle on behalf of Canadian veterans?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I was informed that these tests had been conducted in a safe way and produced great benefits for Canada and our allies in protecting ourselves from chemical attacks of various kinds. However I will look into the matter of the soldiers to whom the hon. member refers and will get back to her and the House on that matter.

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GOVERNMENT GRANTS

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, the Minister of Fisheries and Oceans is on record for saying that $1.3 million in grants and loans to Mouse Island wharf will benefit the local community. The president of the Mouse Island facility has stated that Samson Enterprises, headed by the minister's brother-in-law, has a monopoly on the site. It would seem the community that is benefiting is the minister's own family.

Since the minister's brother-in-law has the monopoly, will the minister tell us what other shipbuilder will benefit from the facility?

● (1445)

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Not a problem, Mr. Speaker. I want to say categorically there is no monopoly arrangement with Mr. Samson for the use of the lift, the storage area or the boat servicing area on Mouse Island. There is a wide range of users. In fact, Mr. Samson's company will only be a recipient of approximately 11% of its use. First nations are also major users as are tourist operators in the area.

However, there is a mouse on Mouse Island that has a penchant for Limburger not for Canadian cheddar because, while it was walking around and exploring this issue, it neglected to point out that Gabriel LeBlanc, the president of the development association, is also an executive member of the Richmond Country Progressive Conservative Riding Association.

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KYOTO PROTOCOL

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, in the government's latest economic model on the impacts of Kyoto it admits that it will miss its target emissions by about 70 megatonnes. These lowball figures just really show the ineptitude of this minister in dealing with this file. Why is the minister so intent on ratifying an agreement that he has no intention to live up to or honouring on the international stage?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, this government fully intends to live up to its commitments under the Kyoto agreement. I notice the hon. member is in complete contradiction to the leader of his party who said we had no plan. This man apparently knows what is in the plan. The two of them had better get together and figure out what is what.

I can assure him however that when we release all the information on what we intend to do, he will find that 70 megaton gap, as he described it, fully covered.

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, there will not be any problem of getting confused about the government's plan because it does not have a plan. That is really obvious.

The Kyoto accord targets carbon dioxide which itself is not a pollutant. The minister should know in fact that smog is caused by such things as particulate matter, nitrous oxides, sulphur dioxide and other things, yet he continues to confuse the two issues. In Calgary last week he talked about smog and all those sorts of things.

Why does the minister not come clean and tell Canadians what Kyoto really is about?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member should indeed look into what causes smog. One thing that is very important in the creation of smog is heat. What is climate change and global warming? Heat. Therefore, along with those other pollutants that exist, we get the problem of smog.

That is my little science lesson for him but perhaps he might like to look a little further into this. I would be happy to give him a lunch maybe sometime and explain it in more detail.

[*Translation*]

FERRIES

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the federal government's poor management over the past months is making it liable to legal action for depriving the area of Les Basques and Les Escoumins of ferry services. It is depriving this area of revenues of nearly $5 million a year by failing to repair the wharves it still owns.

Having killed the 2002 season for the ferry between Trios-Pistoles and Les Escoumins, could the federal transport minister at least confirm that the repairs will be made in time to ensure the operation of the ferry for the 2003 season?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, as I said previously, we are studying the situation. I hope to soon be able to state that we will be repairing the wharf at Les Escoumins.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, this should be done before winter.

On both sides of the river, the local population has had enough. The people want an answer before November 1, so that the 2003 season can be saved and future operation of the ferry can be ensured.

How can the federal government generate $10 billion in surpluses and at the same time fail to repair wharves that are its property, depriving the area of $5 million a year in tourism revenue?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, it is very important to have all repairs done before next operating season. I hope that, for next summer, the ferry service between Trois-Pistoles and Les Escoumins will be in place.

I think this is the result everyone is looking for.

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[*English*]

KYOTO PROTOCOL

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, my question is for the Minister of Industry. One of the industries which will be hit hardest by the Kyoto accord is the Canadian steel industry. The steel producers are solidly against the government ratifying the Kyoto accord. In Canada they represent over $11 billion in revenue, $3 billion in exports, 150,000 jobs and $600 million in research and development. Some 65% of their product is recycled and they are now a major contributor to environmental projects in Canada.

Why is the government jeopardizing investments in an industry that is so essential to our well-being?

● (1450)

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, at least in one respect the hon. member is correct. The steel industry is extremely important to Canada's economy and of course to those people who work for it or are suppliers to it. I could add that the measures which are under consideration for implementing the Kyoto accord will not impact adversely on the steel industry.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, that is exactly the opposite of what the steel industry itself is saying. The steel industry is essential to the Ontario economy, particularly in Hamilton. A large segment of the steel produced is tied up in energy projects. If investors choose to invest in projects outside of Canada because of Kyoto, steel revenues will be significantly affected and jobs lost.

The Minister of Industry has a responsibility to stand up as a spokesperson for industry in cabinet. He has raised concerns twice outside the House. Will he stand up today and defend the steelworkers in southwestern Ontario?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I would think, and I hope the hon. member will think about this himself, that the council of the City of Hamilton, steel city in Canada, would pay particular attention to the issue he has raised. Yet the Hamilton city council has endorsed ratification of the Kyoto pact.

In addition, he might consider that the people who are most concerned about jobs in this country are the labour unions not the business community. They also have endorsed ratification of the Kyoto accord.

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TRADE

Mr. Tony Tirabassi (Niagara Centre, Lib.): Mr. Speaker, the Prime Minister and the government have continuously supported trade initiatives with impoverished nations, so that all involved may better participate and benefit in this new era of globalization. I understand that the Minister for International Trade will be leading a trade mission to Africa in November.

Given the challenges that Africa faces related to trade and development, what can Canadian companies gain by participating in the upcoming trade mission?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, yes indeed, I will be leading a trade mission to South Africa, Nigeria and Senegal from November 15 to 26.

It is becoming quite clear that as Africa modernizes its private and public sectors, many African economies are looking outward to meet the demands and challenges of modernization.

Canadian companies have a lot to offer, particularly when it comes to education, technology and infrastructure. This mission will enable Canadian companies to develop new trading partnerships and a market that is ripe for Canadian products and services.

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HEALTH

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, today we learned of a plan to inoculate 500 first responders in preparation for a smallpox outbreak in Canada. The government has failed to obtain the product to treat the possible side effects of the smallpox vaccine.

It is interesting that the U.S. has ordered 100,000 doses of this product from a Canadian company. Why has the government even failed to order the antidote?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, let me reassure the hon. member and all Canadians that the government is working with public health officials, the provinces and territories in doing everything necessary to develop the required plan to ensure, in the very unlikely situation of smallpox being used as a form of bioterrorism, that we are prepared to meet that threat.

In fact, as the hon. member is probably aware, we are now in the process of revising our national smallpox contingency plan. That is a plan that is being developed in partnership with the provinces and territories. Upon its completion it will be released to the public.

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, that did not answer the question at all.

There is a problem and the problem is that smallpox is a real threat in this country. The United States has a plan to inoculate every American within days of an attack. If we were to order today, we would not take possession of vaccine for six months.

Why has the government failed to announce a plan to assure Canadians that it has a vaccine?

● (1455)

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, in fact as the hon. member may be aware, the government, in particular the Department of National Defence, has a stockpile of vaccine. We have determined that the stockpile is not sufficient to implement our search and contain approach, an approach recommended by the World Health Organization.

My department has presented to the government and we will be moving forward on a new procurement plan in relation to the purchase of the necessary smallpox vaccine, so that the public safety and security of Canadians will be protected.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, VIA Rail recently submitted to the Minister of Transport a funding proposal for a rapid train project in the Quebec-Windsor corridor. This proposal would include financial involvement by the federal government.

Should the government decide to go ahead with this project, could the Minister of Transport assure us that the most performing environmental technologies will be used, out of respect for the commitments made with respect to the Kyoto protocol?

Hon. David Collenette (Minister of Transport, Lib.): Yes, Mr. Speaker.

* * *

[*English*]

JUSTICE

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, for 32 years Robert Moyes racked up 36 convictions, including three attempted murders, armed robbery, forcible confinement and escape. He has stabbed prison guards. In sentencing him to life for a 1986 bank robbery the judge said:

> The time has finally come to put a stop to your predatory activities for as long as possible.

Moyes is now convicted of seven first degree murders over a nine month period in 1995-96, and get this, while he was on day parole. When will the government stop paroling multiple repeat violent offenders?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, public safety is always the number one issue.

What we do in our penal institutions is to ensure that if an offender is caught and convicted that he is punished for the crime and rehabilitation is put in place.

* * *

[*Translation*]

ARCHIVES

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, in the Speech from the Throne, the Governor General said that the government would create "[...] a new institution that brings together the National Archives of Canada and the National Library of Canada [...]".

How can the government pledge to provide new tools to reach Canadians and strengthen key arts and heritage institutions while making budget cuts of 26% to the Canadian Archival Information Network program, in the very first year, while the initial budget in the three-year agreement is $2.3 million?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, we are of course talking about two different issues when we refer to the National Archives and the National Library. Three years ago, it was decided that it would be a good thing to merge these two institutions to present to the general public everything is part of the wealth of historical information belonging to the National Archives and the National Library. This is what we will do.

* * *

[*English*]

AUTOMOBILE INDUSTRY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the government sat and watched the Auto Pact die and the industry slide into crisis. The CAW, the big three and municipalities are calling for a federal auto policy. Last week Navistar Chatham announced the closure of its truck plant. It is moving to Mexico. At almost the same time a Windsor plant was proposed by DCX with a request for federal support. All the Minister of Industry can say is that our health care system is incentive enough, the health care system he and his government gutted.

Can the minister explain why he is so intent on screwing up our auto industry, just like he did our health care system?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the hon. member should know that some three or four months ago I convened a sector council from the auto sector, including the five manufacturers most active in Canada, the CAW, representatives of Ontario and Quebec governments, the dealers, and the parts makers, to work together in developing a strategy for continuing investment in the auto sector over the coming 10 years.

In the last couple of years we have seen additional important investments in the sector. We will work together to ensure that continues.

* * *

GOVERNMENT GRANTS

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Mouse Island wharf received a promise of a $600,000 investment from Herman Samson in return for a monopoly deal on the wharf. This benefits the minister of fisheries' brother-in-law. The money came from ACOA when the present minister of fisheries was the minister responsible for ACOA.

Will the minister tell the House what part of this deal is not a conflict of interest?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I will speak slowly so he understands.

There is no monopoly agreement with Mr. Samson for the use of the lift, the storage area or the boat servicing area. I do understand that the president of this organization, who is a member of the Richmond County Progressive Conservative Association, did enter into a deal with Mr. Samson on an area exterior to the actual facility itself. That is between them and Mr. Samson.

* * *

● (1500)

[*Translation*]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, a bit earlier, during Oral Question Period, the Minister of Foreign Affairs revealed that the government was advising Canadian citizens not to travel to Algeria because of the atmosphere of violence there.

On the other hand, with the lifting of the moratorium on deportation of Algerians, are we to conclude from the Canadian position that it is not dangerous for both parents to travel to Algeria but that it would be dangerous for their two-year-old, who is a Canadian citizen, to do so?

Is there a danger for some people and not for others? We would like to understand this logic.

Mr. Mark Assad (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I repeat, each case is studied individually. There is no blanket deportation. Each case is examined by the Department of Immigration, which does so compassionately, and recognizes all humanitarian cases.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of the committees of the House. If the House gives its consent, I intend to move concurrence in the first report later this day.

* * *

● (1505)

[*Translation*]

CANADA LABOUR CODE

Mr. Ghislain Fournier (Manicouagan, BQ) moved for leave to introduce Bill C-230, An Act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services).

He said: Mr. Speaker, I am pleased to again introduce my bill.

This bill would prohibit the hiring of persons to replace employees of an employer under the Canada Labour Code who are on strike or locked out or employees of the public service who are on strike. This bill is also aimed at ensuring that essential services are maintained in the event of a strike in the public service.

I hope there will be a debate on this bill at last, and I also hope to be able to convince my parliamentary colleagues to pass it, since I feel it is essential to the defence of these workers.

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

[*English*]

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. During the presentation from the Bloc member the microphone was not on and we did not get interpretation. It also means it will probably not be in the official *Hansard*. I wonder whether there could be consent that the member's statement, as written on his paper, could appear in *Hansard* as if it had actually been spoken in the House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

An hon. member: No.

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. In defence of Private Members' Business, I would then ask for you to have this member make his presentation again because we did in fact miss it.

[*Translation*]

The Speaker: Would the hon. member for Manicouagan mind repeating what he said?

Mr. Ghislain Fournier: Of course not, Mr. Speaker.

I am pleased to again introduce my bill on scabs and essential services.

This bill would prohibit the hiring of persons to replace employees of an employer under the Canada Labour Code who are on strike or locked out or employees of the public service who are on strike. This bill is also aimed at ensuring that essential services are maintained in the event of a strike in the public service.

I hope there will be a debate on this bill at last, and I also hope to be able to convince my parliamentary colleagues to pass it, since I feel it is essential to the defence of these workers.

* * *

[*English*]

LISA'S LAW

Mr. Bob Mills (Red Deer, Canadian Alliance) moved for leave to introduce Bill C-231, an act to amend the Divorce Act (limits on rights of child access by sex offenders).

He said: Mr. Speaker, my bill, which is old Bill C-400 from the previous Parliament, is also known as Lisa's law. It protects children from being forced to visit their pedophile parents in jail.

The bill is in the same format as Bill C-400 that I introduced in the previous session and which was in committee. Therefore, pursuant to Standing Order 86.1, I wish to have the bill returned to its previous status before prorogation.

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

The Speaker: The Chair is satisfied that this bill is in the same form as Bill C-400 was at the time of prorogation of the first session of the 37th Parliament. Accordingly, pursuant to Standing Order 86.1, the bill is deemed read a second time and referred to the Standing Committee on Justice and Human Rights.

(Bill deemed read the second time and referred to a committee)

* * *

ENDANGERED SPECIES SANCTUARIES ACT

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance) moved for leave to introduce Bill C-232, an act respecting the creation of sanctuaries for endangered species of wildlife.

He said: Mr. Speaker, with respect to the protection of endangered species, our country does not have workable, effective legislation to protect species at risk which are on the verge of extinction. Encroachment by humans and the destruction of habitat and poaching are all major contributors to the ever increasing numbers of species that are hurtling toward extinction.

This bill will enable us to save species by allowing us to protect critical habitat. The bill obliges the federal government to engage in agreements with the provinces to protect critical habitat.

Individuals will be remunerated at fair market value for loss of land where agreements cannot be made. Also, the species deemed at risk will be deemed at risk by scientists under COSEWIC. In effect, this bill strikes a balance between private interests and public needs and will go a long way to saving species at risk.

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

● (1510)

CRIMINAL CODE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance) moved for leave to introduce Bill C-233, an act to amend the Criminal Code (protection of child before birth).

He said: Mr. Speaker, fetal alcohol syndrome and fetal alcohol effects are the leading causes of preventable brain damage among infants and children. On average, people who have FAS or FAE have an IQ of between 68 and 70. They also have physical disabilities. The effects can be devastating. Shunned in school, unable to function, many of them veer off into a life of crime or conduct disorders. In fact it is estimated that half of all people incarcerated today have FAS or FAE.

The bill is controversial. It gives medical practitioners the ability to put a woman who has refused all forms of treatment in a treatment facility against her wishes if no other option is available. Hopefully the bill will enable us to decrease the incidence of FAS or FAE and give children a chance in this world.

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

* * *

INTERNET CHILD PORNOGRAPHY PREVENTION ACT

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP) moved for leave to introduce Bill C-234, an act to prevent the use of the Internet to distribute pornographic material involving children.

He said: Mr. Speaker, I want to thank my seconder, the member for Palliser, as well as my other colleagues from Acadie—Bathurst, Churchill and Winnipeg Centre.

This bill was introduced in 1998 by the hon. Chris Axworthy, who is now the Attorney General of Saskatchewan. It is imperative that we as parliamentarians put in the strictest laws possible to protect unsuspecting children from pedophiles and other people who would do harm to children via the Internet.

We have waited far too long for the government to enact decent legislation in order to protect our children from pedophiles who use the Internet as their gambit to lure children to their unsightly sites. We would encourage instant reading of the bill and instant voting on it. We also encourage the government to take action to protect our children now.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, if the House gives its consent, I move that the first report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

The Speaker: Does the hon. member for Peterborough have the unanimous consent of the House to propose his motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Sarkis Assadourian: Mr. Speaker, I would like to ask for the unanimous consent of the House to move a motion that, in the opinion of the House, the government should: (a) recognize as genocide the killing of 1.5 million innocent Armenians, men, women and children in the period from 1915 to 1923; (b) condemn the genocide of the Armenians and all other acts of genocide as an ultimate act of religious, racial and cultural intolerance; and (c) recognize the importance of remembering and learning from the mistakes of the past.

● (1515)

The Speaker: Does the hon. member for Brampton Centre have the unanimous consent of the House to propose his motion?

Some hon. members: Agreed.

Some hon. members: No.

* * *

PETITIONS

BANGLADESH

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I have two petitions which I am pleased to present to the House.

The first petition requests Parliament to request that the Government of Canada undertake a review of the foreign aid it provides to the government of Bangladesh in view of that government's record of recurrent violation of human rights with respect to the persecution of Hindus and other minorities.

CHILD PORNOGRAPHY

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, the second petition is from a large number of constituents who call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is a pleasure for me to present two petitions from the people of the Truro area, including Debert and Belmont. There are over 100 signatures on these two petitions.

The petitioners beg Parliament to take all necessary steps to ensure that all materials that promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

I hope the government will respond quickly to these petitions.

[*Translation*]

FUEL PRICES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I would like to present four petitions.

In the first petition, the petitioners ask Parliament to urge the government to create an energy price commission so that oil companies would have to justify increases in gas prices for Canadians.

[*English*]

CHILD PORNOGRAPHY

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, my second petition calls upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the people in my riding are asking for the creation of government programs for workers who are 50 and older who have lost their job, especially given the $42 billion surplus in the employment insurance fund.

FUEL PRICES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am presenting another petition from the Gatineau region. Nearly 1,000 petitioners are asking the government to create a Canadian energy commission, one of whose objectives would be to require oil companies to justify increases in the price of oil.

[*English*]

CHILD PORNOGRAPHY

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, I rise today pursuant to Standing Order 36 to present a petition regarding child pornography which has been signed by literally hundreds of concerned people in Edmonton.

The petitioners draw to the attention of the House that the creation and use of child pornography is condemned by a clear majority of Canadians and that the courts have not applied the current child pornography law in a way which makes it clear that such exploitation of children will always be met with swift punishment.

The petitioners call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed, and the sooner, the better.

I congratulate Focus on the Family for coming here this week and bringing more cases to light.

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, I present a petition signed by 2,250 people in my riding of Red Deer.

The petitioners believe that the creation and use of child pornography is condemned by a clear majority of Canadians and that courts should make it clear that such exploitation of children must always receive swift punishment.

Therefore, the petitioners call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have two petitions to present today. The first has to do with fetal alcohol syndrome. The petitioners, who include a number of Canadians including from my own riding of Mississauga South, raise that fetal alcohol syndrome and other alcohol related birth defects are 100% preventable and that the consumption of alcoholic beverages impairs a person's ability to operate machinery or an automobile.

They therefore call upon Parliament to require health warning labels on the containers of alcoholic beverages to caution expectant mothers and others of the risks associated with alcohol consumption.

● (1520)

STEM CELL RESEARCH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition has to do with stem cell research.

The petitioners raise that Canadians support ethical stem cell research, which has already shown encouraging potential with regard to providing cures and therapies. They also point out that non-embryonic stem cells, also known as adult stem cells, have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

Therefore they petition Parliament to focus legislative support on adult stem cell research to find the cures and therapies necessary to treat the illnesses and diseases of suffering Canadians.

CANADA POST

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, I present a petition which deals with the circumstances of rural route mail couriers.

The petitioners are residents of Vancouver Island and are calling on Parliament to repeal section 13(5) of the Canada Post Act. The act in its present form prevents rural route mail couriers from collective bargaining. The petitioners protest the resulting punitive and unreasonably low wages and compensation.

CHILD PORNOGRAPHY

Mr. Andy Burton (Skeena, Canadian Alliance): Mr. Speaker, I am pleased to table three petitions signed by residents of my riding of Skeena. Two petitions condemn the use of child pornography.

STEM CELL RESEARCH

Mr. Andy Burton (Skeena, Canadian Alliance): Mr. Speaker, the third petition which I am presenting today encourages the use of adult stem cell research.

I urge the House to seriously consider these petitions.

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present a petition on behalf of residents of my riding of Erie—Lincoln.

The petition acknowledges that there are hundreds of thousands of Canadians suffering from debilitating diseases such as Parkinson's, Alzheimer's, diabetes, cancer, multiple sclerosis and spinal cord diseases. It also goes on to say that many Canadians support ethical stem cell research, which has shown encouraging results in finding cures for these illnesses and diseases. They state that non-embryonic stem cells, which are also known as adult stem cells, have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

Therefore they call upon Parliament to focus its legislative support on adult stem cell research to find the cures and therapies necessary for those diseases.

CHILD PORNOGRAPHY

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I have two petitions to present. The first petition calls upon Parliament to outlaw all materials which promote or glorify pedophilia or sado-masochistic activities involving children.

STEM CELL RESEARCH

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, the second petition requests that Parliament ban embryonic research and direct the Canadian Institutes of Health Research to support and fund only promising ethical research that does not involve the destruction of human life.

CHILD PORNOGRAPHY

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I rise today to present a petition on behalf of residents of my riding from Strongfield, Loreburn, Elbow, Hawarden, Outlook, Glenside and Saskatoon.

The petitioners call upon the House to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed. The petitioners draw attention to the House that among other matters, the courts have not applied the current child pornography law in a way which makes it clear that such exploitation of children will always be met with swift punishment.

I fully support this petition.

The Speaker: The hon. member for Blackstrap knows very well as an experienced member of the House that her expression of support or otherwise for a petition presented by an hon. member is contrary to the practice of the House. I know she would not want to repeat that kind of offence.

STEM CELL RESEARCH

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present a petition on behalf of hundreds of citizens of the riding of Prince Edward—Hastings. They know that there are many Canadians suffering from diseases such as Parkinson's, Alzheimer's, diabetes, cancer and others who could benefit from ethical stem cell research, but they point out that non-embryonic stem cells, also known as adult stem cells, have shown significant research progress without some of the side effects of other forms of stem cell research.

The petitioners call upon Parliament to focus its legislative support on adult stem cell research to find the cures and therapies necessary to treat Canadians with these illnesses and diseases.

● (1525)

CHILD PORNOGRAPHY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition, also from citizens of Prince Edward—Hastings. They point out that the creation and use of child pornography is condemned by the clear majority of Canadians and that the courts have not applied the current child pornography law in a way which makes it clear that such exploitation of children will always be met by swift punishment.

The petitioners call upon Parliament to protect our children by taking the necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it is my pleasure to rise on behalf of over 1,200 petitioners in my riding who are deeply concerned about child pornography in Canada. They point out that the courts have not applied the current child pornography law in a way which makes it clear that such exploitation of children will always be met with swift punishment.

Therefore, the petitioners call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

STEM CELL RESEARCH

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, I have another petition. I rise on behalf of approximately 60 petitioners who are concerned about debilitating illnesses and diseases such as Parkinson's, Alzheimer's, diabetes, cancer, muscular dystrophy and spinal cord injury.

The petitioners call upon the House to encourage the use of non-embryonic stem cells, which are also known as adult stem cells and have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

FIREARMS REGISTRY

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, if it would please the House, I would be happy to introduce one more petition, calling for the repeal of the firearms registry. There are about 120 people on this list. As the deadline for registering firearms comes before us, these petitioners urge that the government take the billion dollars it is spending on that registry and devote it to things that can truly help Canadians, like medical research and like putting more police on the beat.

It is my pleasure to be able to present this on behalf of those 120 petitioners in my riding.

* * *

QUESTIONS ON THE ORDER PAPER

Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT AND IMPORT OF ROUGH DIAMONDS ACT

The House resumed consideration of the motion that Bill C-14, an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds in order to meet Canada's obligations under the Kimberley Process, be read the second time and referred to a committee.

Mr. Andy Burton (Skeena, Canadian Alliance): Mr. Speaker, I am pleased to rise today and speak to Bill C-14, an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds in order to meet Canada's obligations under the Kimberley Process.

As mentioned in the title of the bill, this enactment would fulfill Canada's undertaking to participate in the Kimberley process, which is an international certification scheme that aims to break the link between armed conflict and the trade in rough diamonds. Generally speaking, the bill states that:

> The enactment permits export of rough diamonds to be made only to countries participating in the Kimberley Process. It also requires exported and imported diamonds to be in prescribed, tamper-resistant containers and to be accompanied by a certificate from a participating country attesting that they have been handled in accordance with the Kimberley Process.

I would like to talk a little about what I understand the process to have been so far in leading up to the creation of this act. I understand that Canada has been keenly involved in international efforts to help stop the global trade in conflict diamonds, which have had a devastating impact on peace and human security in several African nations, including Angola, Sierra Leone and the Democratic Republic of Congo.

Unlike the legitimate trade in rough diamonds, which benefits numerous developing countries and developed economies including Canada's, conflict diamonds, or blood diamonds as they are frequently known, originate in areas controlled by rebels and are used to fund military actions that target government. The illicit trade in blood diamonds represents a very small percentage of the world's rough diamond trade.

The Kimberley process was initiated by South Africa in May 2000 to develop an international certification scheme for rough diamonds to prevent blood diamonds from entering legitimate markets. The Kimberley process brought together 48 countries, including Canada, the U.S. and members of the European Community. These participatory countries represent some 98% of the world's diamond trade market.

At the Kimberley process meetings here in Ottawa this past March, participants reached agreement on a proposal for an international certification scheme for rough diamonds. Under the scheme, participating countries will be required to export rough diamonds in tamper-resistant containers and provide a certificate validated by the government of the exporting country confirming that the diamond exports are conflict free. Participating countries will also be prohibited from importing rough diamonds from countries not engaged in the Kimberley process. Canada agreed to the implementation of this scheme by the end of 2002.

As members can see from my comments so far, I certainly can see the need for this legislation in Canada. I recognize that Bill C-14 will make legal the agreement that Canada has reached in the process, but later in my comments I will make suggestions on how the bill can be improved.

One area of concern right at the moment is a very tight timeline for the passage of the bill and, more important, for the implementation of the certification process in Canada by the end of this year. I am concerned that Canada's diamond extraction business may suffer because the government infrastructure needed to inspect and provide the certification needed for exporting our diamonds may not be ready on time. This is a concern and I suspect we will hear more about this from witnesses when the bill is sent to committee.

Canada is developing its diamond industry, and I believe everyone in the House will agree that we do not wish the bill to hamper its development in any way. The Ekati diamond mine in the Northwest Territories, located about 300 kilometres from Yellowknife, is Canada's only operating diamond mine at this time. It employs 650 people and produces three million to four million carats of gem quality rough diamonds each year. This is equivalent to nearly 4% of current world diamond production by weight and 6% by value.

The Diavik mine, located near the Ekati mine, will begin operation in 2003. Two more projects, one in the Northwest Territories and one in Nunavut, could open by 2007. These four mines would provide direct employment for about 1,600 people and could bring total annual production to approximately $1.6 billion.

Canada exports its entire production of diamonds for sorting. Some gem quality diamonds are returned to Canada in support of a small but growing cutting and polishing industry. That is why we in the House must ensure that Bill C-14 will not in any way hamper the development of Canada's growing diamond industry.

● (1530)

As I mentioned earlier, in general at this stage in the process before we have had the opportunity to hear from witnesses in committee, I believe the bill has merit and understand it is needed. I do have concerns that I would like to see addressed.

Time constraints are tight due to the target of this November for all 48 participating nations to commit to national implementation and December 31 for simultaneous implementation worldwide. The process led by South Africa began in the year 2000 and was included on the African agenda at Kananaskis with full Canadian government involvement from the start. If the government has known about this since 2000, I really do have to question why there is a last minute rush.

There appears to be no objection to Bill C-14 from BHP Billiton Diamonds Inc., which operates the Ekati diamond mine in the Northwest Territories. As I mentioned earlier, it employs 650 people and includes offices in Kelowna and Vancouver in British Columbia, in Yellowknife, in Antwerp, Belgium, and in London, England. Other companies expect their mines in the territories to be put into operation, one in 2003 and two more by 2007, which will mean 3,200 plus in indirect jobs. This will be a huge benefit to the Canadian economy if they are allowed to proceed without too much interference by government.

Additional diamond exploration in Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Newfoundland and Labrador has not to date yielded any economically viable sites. Some cutting and polishing is centred at Yellowknife and in Quebec's Gaspé Peninsula. Training programs, especially for aboriginal workers, are in progress, with resulting jobs skills being among the benefits for northern residents.

All Canadian diamonds are first exported to London and Antwerp for sorting. We also import diamonds from 44 countries, including Israel, India, the U.S., Belgium and the U.K., the top five in terms of the value of our diamond imports. The multiple stages of handling, from initial mining through sorting, polishing and cutting et cetera, are a major reason for the Kimberley process agreement to ship this valuable product in tamper-proof containers with a certificate attached to prevent inclusion of blood diamonds.

I reiterate my previous concern with the bill. With such an expanding and developing diamond industry in Canada, I am concerned that there is not a balance between the obvious need for effective world legislation to stop the trade of blood diamonds and overzealous red tape and bureaucracy which may slow down the export of legitimate diamonds and thereby hurt our developing industry. These are concerns that I would like to see addressed at the committee stage of the examination of the bill.

The weakest link remains initial certification, especially when performed by officials in countries widely reputed to suffer from an epidemic of corruption, notably African countries. No independent international agency will verify or even spot check the certification, but Bill C-14 requires that Canadians ensure the certificate provides accurate information, with company officials and individual directors liable. Given the Bre-X scandal, it is difficult to justify such reliance on international honesty. I guess we have to hope it occurs but it is hard to rely on that.

Prosecutions under Bill C-14 can only be instituted within three years from the time of a complaint. Due to the significant degree of international cooperation which is likely to be involved and the fact that human lives are at risk with the trade in blood diamonds, we suggest that a time limit of up to seven years would not be unreasonable. A company's reputation will already be damaged by the laying of charges, so the best way to minimize such impacts would be to obtain convictions, not have guilty parties get away with their crimes due to delay over paperwork technicalities.

Finally, the bill provides that seized diamonds can only be held with the consent of the owner. An improvement would be to authorize holding such diamonds until the case is resolved as a guarantee that possible fines would get paid.

In conclusion, at this time I would suggest this enactment to control the import and export of rough diamonds, Bill C-14, is on the surface a good bill. I am looking forward to discussion and questions posed in committee by witnesses from the industry. I suspect they may raise concerns similar to my own, and I hope the government will take notice of them and amend the bill accordingly.

● (1535)

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I am pleased to address Bill C-14, an act providing for controls on the export, import or transit across Canada of rough diamonds and for a certification scheme for the export of rough diamonds.

First, I would like to say that I am pleased to have this opportunity, because in the riding of Matapédia—Matane, we have a business that specializes in the cutting of diamonds. I would like to explain how that company was created and the problems that it encountered in the process. It had absolutely no possibility of finding diamonds in Canada, despite the fact that Canada produces diamonds and has diamond mines.

It was the same problem when the time came to train the company's staff. It was absolutely impossible to find diamonds in Canada, even though we are a producer. This situation caused a great deal of problems, both in the training of employees and in the setting up of the company which, fortunately, managed to begin operations. I must say that there was very little cooperation on the part of the federal government regarding the establishment of the company and the training of its employees. On the contrary, the government made things harder for the company.

I am pleased to address this bill, because we agree with it and particularly with its objectives. This bill seeks to set up an international certification process to avoid situations where profits generated by the sale of diamonds are used in conflicts, particularly in African countries. My colleague mentioned a few of these countries, including Angola, the Democratic Republic of Congo, Liberia and Sierra Leone.

The problem is that diamonds are sold under various covers and that the proceeds from their sale is used by certain organizations to buy arms for terrorist activities. This has the effect of destabilizing the economy and the political and social situation in some countries.

Why does the Bloc Quebecois support this bill? I will mention the main reasons.

First, because of the atrocities perpetrated with the money from conflict diamonds. All this has been very well documented over many years, except that, as in many cases, governments do not react until the situation blows up in their face, until there is an international scandal. This is what is happening with this government. While being aware of very serious situations, it waited a long time to react; it should have acted much sooner and started years ago taking steps to resolve this problem. I am referring to diamond trading. Most of us are consumers of these goods, which may be described as blood diamonds.

The other reason is that we felt it was imperative and absolutely necessary to react, and action should have been taken sooner, to resolve conflicts in the countries involved, particularly in South Africa.

Without such a process, diamond consuming countries, including Canada, are financing the atrocities taking place in these countries. Unless a control scheme is put in place for diamond imports and exports, we will, as citizens, be contributing to financing conflicts, revolutions, atrocities, belligerents using any means available to seize power in these countries.

● (1540)

The Bloc Quebecois believes we have a social and ethical responsibility to move forward on this issue. Years ago, and I emphasize this, we should have become aware of what we were doing and made sure this kind of trade stopped.

Obviously, the bill before us is a step forward, a very small one however. I am wary of the steps this government takes. With respect to Kyoto, for example, we were assured over the past year that it would be ratified and finally implemented. We eventually realized that ratification was being postponed from one year to the next, one month to the next, one week to the next.

Naturally, if the government takes the same approach to Bill C-14, passing it in the House but then dragging its feet, while working out details with diamond importing industries, we will once again find ourselves wasting our time, as usual, with this government.

What is it that has finally woken up the government? I have already referred to this. Why is it that it is reacting today? Why is it that the government, which was after all aware of what was going on in the countries in question, did not react earlier? I have said already, and say again, it is because the international media, the NGOs, which were aware of the situation, have succeeded in raising the government's awareness of the need to be part of the Kimberley process and because of them that it has finally decided to bring forward a bill to solve the situation.

I would like to quote from a Partnership Africa Canada document, which reads as follows:

> In 2000, the international diamond industry produced more than 120 million carats of rough diamonds with a market value of US $7.5 billion.

It is hard to imagine what $7.5 billion represents. I do not think my colleague can manage to do so, having never had her hands on $7.5 billion. So it is very hard for a taxpayer to imagine, but it is a huge sum.

Continuing the quotation:

> At the end of the diamond chain this bounty was converted into 70 million pieces of jewelry worth close to US $58 billion. Of total world production, rebel armies in Sierra Leone as well as in Angola and the Democratic Republic of Congo (DRC) are estimated by De Beers to traffic in about 4%. Other estimates place the number higher.

De Beers is, as we know, the Dutch industry that controls the diamond industry.

This 4% figure they give for trafficking is a very conservative one. It means that these rebel forces currently control over 4% of the total world diamond production, and they have a very specific objective for doing so: to obtain weapons to use against the governments in power.

This, in my opinion, constitutes a pretty substantial share of the world diamond trade. When we say 4% of $7.5 billion, this means that hundreds of millions are being used to purchase weapons to kill people and, in the end, to try to overthrow governments. It is unfortunate, in my opinion, that the present government, despite being very much aware of the situation, took years to react.

Now, there is also the way one reacts. I referred to one industry in particular and what was happening in our region. When a business is set up and this business cannot even find suppliers within Canada in spite of the fact that Canada is a diamond producing country, this just does not make sense. At one time or another, this business from Matane, in my riding, could have had in hand diamonds from the countries in question, which I would describe as contraband diamonds or something of the sort.

● (1545)

I wish we would go a little further, and this government would take the initiative of going a little further than what is proposed in Bill C-14. I wish the government would take the lead internationally and raise public awareness about the realities of the diamond industry.

It should make it clear to the public in Canada and Quebec that, when people buy diamonds, it might be a good idea to ask where they are from, and the jeweller should be able to tell what country, what mine and even what company they come from. In other words, there should be traceability within the diamond industry. This is to some extent the intent of the bill, but there is a need to go a little further.

To conclude, the bill will not resolve the entire problem. It will not resolve the problem in Sierra Leone and other countries. Besides the problem with the rebel army and the government army fighting one another, there is a poverty problem, an underdevelopment problem, and this may be the most serious problem.

As we know, these past few years, the federal government has dramatically cut international assistance. We recently learned of plans to increase international assistance funding, but even this increase will not make up for all the cuts made. The federal government's commitment should therefore go a little further in terms of international development, and poverty reduction, particularly in African countries.

This concludes my remarks on Bill C-14.

● (1550)

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I feel the need to intervene. I was impressed by the excellent speech given by my colleague, the member for Matapédia—Matane. He never hesitates when it comes to defending the interests of his constituents.

He spoke of a plant with a good reputation in Quebec, in Canada and even internationally. He also highlighted all of the aspects of the issue, particularly the economic and humanitarian aspects. He discussed both the positive and negative sides.

Matane is just opposite my riding, and there is a relatively short ferry-rail crossing that links the two—not a bridge. I have with me a newspaper article that refers to the announcement by the American company, Diamond Discoveries, of a discovery of a number of deposits of kimberlite north of Schefferville. This is in my riding, 450 kilometres north of Sept-Îles.

According to my information, this represents considerable potential. Prospecting, which is the first step, has already been completed and they are now at the exploratory stage. According to the information I have, this is very encouraging. This company has invested a great deal of money, close to $7 million or $8 million. That figure is rising, because it plans on investing more, which is good news.

Does the member for Matapédia—Matane think that this would be an interesting development and that Bill C-14, because of the measures included to make the exporting and trading of diamonds completely safe, would help the diamond industry in Quebec, particularly in our ridings?

Mr. Jean-Yves Roy: Mr. Speaker, obviously that is what I would hope. Canada being a diamond producer, the more diamonds we produce, the more control we will have, provided international rules change in the diamond industry.

We are debating Bill C-14, but this legislation will not solve all the problems. It must be understood that the diamond industry is controlled by huge international companies. As we know, some of them, and one in particular, are considered to be monopolies. The one that I am referring to is considered by the Americans to be a monopoly and is not allowed in the United States. This is because that company has too much control and is considered to be a monopoly.

If we get confirmation that there are enough diamonds to mine, this can only benefit the hon. member's region, just as it will benefit mine. The hon. member's riding is right across from mine, on the other side of the St. Lawrence River. So, this could only benefit regions such as ours.

But in my opinion, the rules of the game will have to change in order for the workers of these companies, and all Quebeckers and Canadians, to benefit, and to have better control over the diamond industry.

[*English*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

The Deputy Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Foreign Affairs and International Trade.

(Bill read the second time and referred to a committee)

* * *

● (1555)

YUKON ENVIRONMENTAL AND SOCIO-ECONOMIC ASSESSMENT ACT

Hon. Pierre Pettigrew (for the Minister of Indian Affairs and Northern Development) moved that Bill C-2, an act to establish a process for assessing the environmental and socio-economic effects of certain activities in Yukon, be read the second time and referred to a committee.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I am pleased to rise today to address the House on the second reading of Bill C-2, Yukon environmental and socio-economic assessment act, also known YESAA and formerly known as DAP. I am confident in seeking the support of hon. members to make it into law. I will spend the next 25 minutes giving a broad outline of the bill and how it will work.

The bill has been eight years in the making and I ask that hon. members give it careful consideration. My confidence in the bill arises from a number of factors.

The proposed legislation will fulfill an outstanding land claim commitment which is a priority of the government. In doing so it will establish a single development assessment process for projects on all federal, territorial and first nations lands in Yukon, which in turn will create certainty and promote sustainable development across the territory. I have great confidence in the bill because it was developed in Yukon by and for Yukoners through an extremely inclusive process.

Hon. members are well aware of the merits of the development assessment process. It helps us to identify a project's adverse effects on the environment, wildlife and people before they occur. This allows projects to be designed and regulated in ways that are not only economically efficient and rewarding but also compatible with a healthy environment and society.

Assessments can do more than avoid unwarranted consequences. They can also result in positive impacts. For example, development assessment processes can lead to lasting social and economic benefits in local communities, such as new employment and business opportunities. They can also help us to identify measures to protect existing livelihoods.

The practice of development assessment is not new in Canada. It has been around in one form or another for many years. It is now part of public decision making at all levels of government.

Federally the environmental assessment and review process guidelines order apply the principles of development assessment to certain projects that involved the Government of Canada as far back as 1984. In 1995 these guidelines were replaced by the Canadian Environmental Assessment Act, or CEAA, which hon. members know is in the midst of a statutory review.

When Bill C-2 becomes law it will functionally replace the Canadian Environmental Assessment Act for most projects in Yukon, although under certain limited circumstances the Canadian Environmental Assessment Act can still apply.

Why is this happening? The short answer is that chapter 12 of the Yukon umbrella final agreement requires that a new development assessment process be put in place for Yukon. This agreement was signed by the Governments of Canada and Yukon and the Council of Yukon Indians in 1993 and given effect in 1995 by Yukon First Nations Land Claims Settlement Act. The umbrella final agreement, UFA, is a template for Yukon first nations final agreements and self-government agreements which to date have been signed with 8 of the 14 Yukon first nations.

The first nations in Yukon are the Carcross/Tagish First Nation, the Champagne and Aishihik First Nation, the Teslin Tlingit Council, the Ta'an Kwach'an First Nation, the Kluane First Nation, the Kwanlin Dun First Nation, the Liard First Nation, the Little Salmon Carmacks First Nation, the Nacho Nyak Dun First Nation, the Ross River Dena Council, the Selkirk First Nation, the Vuntut Gwitchin Tribal Council, the Tr'ondek Hwech'in First Nation and the White River First Nation.

As a sign that this is a cooperative project between various levels and orders of government, I am delighted that today in Ottawa are Chief Eric Morris of the Teslin Tlingit Council, Chief Joe Linklater of the Vuntut Gwitchin First Nation, Chief Darren Taylor of the Tr'ondek Hwech'in First Nation, the president of Air North and Vuntut Development Corporation, Steve Mills, and Daryn Leas another member of the team.

● (1600)

At the time of the signing of the umbrella final agreement the Council for Yukon Indians, now known as the Council for Yukon First Nations, or CYFN, and the Yukon territorial government, YTG, agreed to work with the Government of Canada to establish the development and assessment process called for in chapter 12 of the UFA. Bill C-2 is a product of that collaborative effort.

Fulfilling Canada's outstanding commitments to aboriginal people is one of our most important obligations as legislators. It is in fact the cornerstone for renewing our relationship with aboriginal people.

Bill C-2 would see Canada fulfill its promise to 14 Yukon first nations.

[*Translation*]

Besides the fulfilment of Canada's obligations under the umbrella final agreement, the bill pursues other worthy goals.

By establishing a process that will ensure that the development activities contemplated for the Yukon will not harm the environment, residents or communities in the area, Bill C-2 will protect the quality of life in the Yukon. It will help preserve the livelihood of individuals as well as the heritage and culture of the first nations people of the Yukon. It will help protect the land, water, air, fish and wildlife of the Yukon. These are all worthwhile goals which deserve our support.

[*English*]

As hon. members can appreciate, this is a detailed and technically complex bill. I do not intend to review it in detail today. Instead I would like to focus on some key elements to the process that would be put in place by Bill C-2 and its supporting regulations.

Essentially Bill C-2 would establish a territory wide process to assess the impacts of development activities in Yukon for which a federal, territorial or first nations government is a proponent and a regulator, and is providing discretionary interest in land or, in the case of the federal government, is providing funding.

Hon. members will recall the recent passage of Bill C-39 in the House. That new Yukon Act ratifies the devolution of many powers and responsibilities to the government of Yukon. Those authorities given to the territory ensure that Yukon will now be able to enact its own environmental assessment legislation to mirror the Canadian Environmental Assessment Act. In this way Yukon will be in a position to ensure that development proposals are evaluated in the interval between devolution and the coming into force of the bill before us today. That territorial legislation will bridge the gap until the bill is enacted and implemented.

One must consider what might happen in Yukon without Bill C-2. There eventually could be as many as 16 development assessment processes in the territory, 1 for each of the 14 first nations, 1 for the federal government and 1 for the territorial government. With such a scenario a development process could be subject to not one or even two, but possibly three or four assessment processes, each with its own requirement, its own guideline, its own decision points and its own timelines. This single development assessment process is in the best interests of all stakeholders.

A known and consistent regime will provide greater certainty for project components which in turn will help encourage investment in Yukon. It will also provide more certainty for government and regulators and more consistent protection of the environment and the livelihood and culture of Yukon first residents.

[*Translation*]

How do we plan to implement such a regime? Allow me to take a few moments to explain how this new development activity assessment process will work and how it will be implemented under Bill C-2.

● (1605)

[*English*]

As hon. members can see, the bill has three parts. Part 1 will come into force immediately upon enactment and deals largely with the administrative aspects of the development process. For example, part 1 will establish the Yukon environmental and socio-economic assessment board to administer the development assessment process and ensure that assessments are conducted in a neutral and efficient manner. The seven member board will be an institution of public government with an office in Whitehorse. The Minister of Indian Affairs and Northern Development will appoint its members based upon nominations from the federal and territorial governments as well as the Council of Yukon First Nations which will nominate three board members. The minister will also select three board members to act as the executive committee, including an individual nominated by the Council of Yukon First Nations. Consistent with the principle of local people making decisions about local matters, at all times the majority of the board members must be Yukon residents.

Part 1 of Bill C-2 would also provide for the establishment of six assessment districts across Yukon, each of which would have a designated office to assess projects. This decentralized approach will make the process more accessible to those people who are most likely affected by a project. The Department of Indian Affairs and Northern Development, DIAND, currently is working with the Yukon government and first nations to establish the boundaries for these districts within input from Yukoners.

Part 2 of Bill C-2 describes the assessment process. To provide for the smooth implementation of this new assessment regime, part 2 would come into force as much as, but no longer than, 18 months after part 1. This would give the board time to hire and train staff, to establish bylaws for the board and designated offices, to develop budgets and to establish procedural rules and public registries of information about development assessments.

Part 2 broadly describes the types of projects that will require an assessment, which, as I noted earlier, essentially includes any project in Yukon that is proposed by the federal, territorial or a first nations government that requires a decision from one of these governments or that requires federal funding. Specific activities that would be assessed under the act are identified in the project proposed list regulations, which also identify activities that would be exempted from this assessment.

Hon. members who have reviewed Bill C-2 will know that it provides for three types of assessments. The most basic is called the designated office evaluation. This is where most projects will enter the assessment process. At this level, the development assessment professionals will evaluate a proposed project and will either decide that it needs further assessment, or will recommend that the project be allowed to proceed, or that it be allowed to proceed with terms and conditions to mitigate adverse effects, or that it should not be allowed to proceed. If a more detailed analysis is required, the project can be referred by this designated office to the board's executive committee.

Certain large projects will be subject to an executive committee screening belonging to the process at this second level. Activities to fall into this category will be clearly identified in the project list regulations.

The executive committee will also screen projects referred to it by a designated office. In most cases the executive committee will make a recommendation on whether or not the project should proceed either with or without terms and conditions. However where the executive committee determines that a project might have a significant adverse effect, raise significant public concerns or involves untested technology, the project will be referred for a panel review. This is the third and last type of review. The small projects locally go in the designated offices, the bigger projects to the executive level screening and the very large and complex projects to the panel review.

The panel review is the most detailed level of assessment under Bill C-2 and would probably be used for only a few projects each year. A panel would be established by the executive committee to conduct an indepth assessment of the proposed project. As is the case with other levels of assessment, at the end of the review the panel would recommend that the project proceed, that it proceed with terms and conditions or that it not proceed. Regardless of the assessment level, all assessments must consider the same basic criteria. These include the purpose of the project and all its stages.

As well assessments must consider any possible environmental or socioeconomic impacts in Yukon or elsewhere and any possible cumulative impacts from a combination of the project and any other existing or proposed activities in Yukon or elsewhere. Assessments will also consider whether there are other ways to carry out the activity that might avoid or reduce these impacts. Protecting the rights of all Yukon residents will be an assessment criteria.

An underlying principle of this new process is that everyone with an interest in the project, including the general public, must have the opportunity to participate in and be informed about these assessments. One way this will be achieved is by placing the information and notices about assessments on to the public registries that I mentioned earlier and inviting comments from all parties.

Input will also be sought from government agencies and first nations that have provided notice of interest in assessment and from relevant land use planning commissions in Yukon. This early input should help smooth the project through subsequent regulatory processes.

It should be clear now that designated offices, the executive committee and panels can only make recommendations. The final decisions on projects would be made by decision bodies as defined in this bill. Depending on the projects location, category or authorization required, a decision body could be a first nation, the territorial minister, a federal agency, the Minister of Indian Affairs and Northern Development or another minister designated by the governor in council. The appropriate decision body would consider the recommendations of the assessment body as well as any information and traditional knowledge accompanying the recommendations. At the end of the process, the decision body may accept, vary or reject the recommendations arising from an assessment.

The new process ensures a high level of transparency by requiring both the assessors and the decision bodies to report publicly in writing to explain their assessment recommendations and decisions.

● (1610)

The period of time within which a decision body must release this report, called a decision document, will be specified in the proposed time lines, decision body's coordination regulations. Public input into those, as with all regulations, could be made when they are gazetted. There are also provisions and regulations to provide time lines on the various assessment processes.

Hon. members should also know that a project approved by a decision body will not necessarily proceed. There may be regulatory or policy reasons why it would not be authorized. A decision body is under no legal obligation to authorize a project, regardless of an approval made under the Yukon environmental and socio-economic assessment act.

If though a decision body does authorize the project, it must do so consistent with the decision document issued. However a project that has been turned down in a decision body will not be allowed to proceed.

If a project goes forward, decision bodies must each conform with their own decision documents when issuing authorizations or carrying out the project. Any violation of a condition imposed by a decision body will be subject to penalties under the existing laws and regulations found, for example, in the Fisheries Act or Yukon's Environment Act.

As I said at the outset, the development assessment process described in Bill C-2 will be the only assessment process that will apply once enacted to most projects in Yukon.

Having said that, if a proposed project is referred to a panel review, the Minister of the Environment, who is responsible for the Canadian Environmental Assessment Act, could become involved in selecting the type of panel and setting its terms of reference, or in establishing a joint panel with the Yukon environmental and socio-economic assessment board.

Bill C-2 also includes provisions to encourage cooperation and coordination of assessments with the Inuvialuit Final Agreement, Screening Committee and Review Board, in the North Slope of Yukon. The legislation would preclude duplication with that review board and provide several other mechanisms to avoid or minimize process duplication.

Under certain circumstances, Bill C-2 would allow for assessments of activities outside Yukon for which effects would likely to occur within Yukon. The bill also identifies circumstances in which the executive committee would have the authority to establish a request by the responsible government, a panel, to review an existing project, or to review plans, or programs, or policies or proposals that were not yet considered to be projects for the purposes of the bill.

Once part 2 of Bill C-2 comes into force, an activity prescribed under the bill and its regulations will not be allowed to proceed until an assessment of its environmental and socioeconomic effects has been completed and decision documents have been issued.

However, to facilitate the transition to the new process, part 3 of the bill stipulates that any assessment that was initiated prior to part 2 coming into force will be exempted from the new process unless a subsequent CEAA referral is made to a higher level of assessment.

Part 3 also contains consequential amendments to the Access to Information Act, the Privacy Act and the Yukon Surface Rights Board Act. There is also a consequential amendment to the Yukon First National Self-Government Act to ensure the first nations have adequate tools, primarily fine levels, to effectively implement and enforce their YESAA decisions.

As I note at the outset, the umbrella final agreement was signed in 1993 and implementation began in 1995. As hon. members can see, it has taken some time to address the agreement's requirement for a territory wide development assessment process and it was time well used. Much of that time has been spent in consultation with stakeholder groups and, as a result, we have a much better bill and a much better process than might otherwise be the case. First nations in particular will have a more meaningful role in assessments in Yukon.

It is safe to say that virtually everyone in Yukon had an opportunity to comment on the bill and many did. The department released drafts of the legislation in 1998 and in 2001 for public review. It has since undertaken two separate tours of Yukon to meet with Yukon first nations and other residents to review and discuss these drafts.

● (1615)

This took time but it was time well spent. Those in Yukon who participated believe the process was inclusive, transparent and worthwhile. I am confident in the merits of this proposed legislation. I believe that a single assessment process is by far the best approach for Yukon given the unique circumstances of land ownership and governance in the territory.

I believe this process will provide certainty for all parties and that this in turn will encourage investment in Yukon while protecting the environment and first nations traditional livelihoods and culture.

[*Translation*]

Settling claims eliminates an enormous barrier to economic development and in turn improves the quality of life of first nations communities and that of their non-aboriginal neighbours living in the Yukon.

[*English*]

Investors can then proceed with confidence and first nations can negotiate from positions of strength. Bill C-2 represents an important step forward in implementing a commitment to first nations under the Yukon umbrella final agreement which is a priority for the government and for Canadians.

The proposed legislation deserves our support on all counts. With that in mind, I ask all hon. members to join me in voting to send it to committee for review.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, I thank my colleague across the way for his comments on the introduction of the bill. We will not be supporting the bill. The Canadian Alliance has some serious concerns about the bill, despite the fact that as the members said it has been some years, at least six years, in the making. It may well be a case of better never than late.

There are several unfortunate aspects of the bill itself, but one of the more unfortunate aspects of it is something the member alluded to. It has taken years to present this piece of legislation in the House. The member alluded to the incredible degree to which members of the public in Yukon were consulted. Yet that stands in stark contrast to the first nations governance proposals which the minister has brought forward.

Those proposals were ostensibly developed as a result of similar consultative processes, but nonetheless that process did not result in any degree of support at all from the first nations leaders of this country. One can only hope that these proposals will meet with not a similar fate when the dialogue begins and continues in the House, as it will continue among the people in leadership positions in Yukon itself.

One of the realities today, and I do not need to tell the member opposite because he knows this, is that the economy in Yukon is not in a good state at the present time. There are many people who are vitally concerned about their future and about their ability to continue to support themselves and their families.

The reality in Yukon is one that causes a grave degree of concern among many about the economic well-being, the economic sustainability of their area and of themselves. Literally as we speak there are many people who are looking for work or have given up looking for work in Yukon. We want to ensure on this side of the House that any legislation that we come up with has as its first order of concern the economic well-being of the people of this country.

At the same time we recognize as a party that has a long standing support for sustainable development that a balance has to exist between environmental sustainability and economic development. We want our ideas to reflect that and our amendments in committee when the bill proceeds will certainly reflect that balanced position that this party has taken for a long time.

There is a third component that we must consider in developing legislation of any kind. It is a kind of triple E thing. Triple E debates have been held in the House on a number of topics.

An hon. member: I do not recall that many.

Mr. Brian Pallister: Yes they have. This is a tripe E of a different kind. This is a tripe E that refers to the sustainable development concepts that are widely debated and have many different definitions among many different people. Nonetheless there are three central components: the economic aspects and the environmental ones. However there is a third component that has to be considered when we are dealing with legislation of any kind in the House especially legislation of this nature. The third component, that third E, that is so central to the legitimacy of anything that we do here is ethics.

In the absence of ethics, in the absence of a strong and consistent portrayal of the ethical high ground that we all like to think we inhabit, legislation we design and that we foist on the people of this country will not have the respect that we would like it to have.

It is unfortunately the case that I see the government's initiative being clouded somewhat by the current state of ethics on that side. It is unfortunate because the debate should centrally be about the bill itself. It should be about the intentions and how we achieve those objectives that the member spoke of earlier.

I share his hope in the outcomes he referred to. I share the hope and I am sure the people of Yukon and across Canada share the hope that the mechanisms presented in the bill will work. Unfortunately our hopes are somewhat clouded by pessimism when we see the unfortunate lack of consistent, strong, moral and ethical conduct on the part of the government members. In any process that involves, as this one does in minutia, consultative processes that ostensibly encourage stakeholders to express their views, there has to be an understanding that once those views are expressed they will be respected and listened to.

● (1620)

If people do not believe that a process will be listened to, if they do not believe that the political representatives they have chosen and elected will portray accurately their views once they arrive here, then not only will they disrespect the process but they will not involve themselves in it in the first place. They will not come forward and be part of these consultative, so-called regional grassroots input sessions if they do not believe they will be listened to, or if they believe that having been listened to that they will be ignored subsequent to the meeting.

People will not come forward. They will not participate and that is a concern that all of us should have. The consultation, to be meaningful, has to be real and genuine. It is not enough to hold consultative meetings or set up a framework for input that is done simply as a perceptual scenario whereby one can try to pretend that one is creating legitimate rules. If those rules will not be followed, if those rules will be tarnished by political manipulation, if those rules will be damaged by the subsequent, self-serving behaviour of those who should know better, then the reality is that those rules will not be respected by any thinking Canadian.

Therefore it is unfortunate that at this point in time, as this legislation comes forward with some good ideas within it, those few good ideas will be tainted by the reality of conduct in other venues by other members on the government's side. That is a shame.

Before I get into too much philosophical venting I will deal with some of the specific aspects of the bill as it has been proposed to the House.

I would like to focus on some of the disincentives that are in it. In raising these concerns I assure the member that I have taken the time to consult as well. Since consultation is something we hear the government talking about doing, let me assure the members of the government that we do a lot of it here too. In consulting with the people from Yukon, they have expressed to me a number of concerns they have about the nature of the bill. I would like to share those on the occasion of this introduction today.

First, with the Yukon environmental and socio-economic assessment bill, there may well be within it disincentives to potential developers. One of those disincentives may have as its basis the fact that the bill does away with the free entry system. In the free entry system, mining firms stake claims based upon exploration. They provide evidence of a deposit and they are assured tenure on the land above and below the surface. On that basis they can secure funding for development.

Under this bill, a project could be reopened and subsequently cancelled at any stage, either during development or in fact while in full operation. This does not give the assurance to developers that their investigative work and research ultimately will bear fruit, and naturally, as a consequence, this may well discourage the investment from being made in the first place. This is a legitimate concern in the minds of people in Yukon who would like to be employed as a consequence of such development and such projects.

Second, another disincentive is that there are no measured scientific standards or criteria for the approval or rejection of proposed projects. Officials could stop a development project based upon fuzzy criteria including, but not exclusively, potential impacts of the project in combination with other claims and projects, and even in combination with possible future developments, and "the interests of residents of Yukon and of Canadian residents outside Yukon".

These are vague considerations that would allow projects to be potentially halted or prevented at any time for political reasons, on pure speculation, or for no reason at all.

The member opposite, in his introductory comments, spoke about the need for a process that results in the culmination of a decision. We agree with that.

● (1625)

We are very concerned that these things should not linger for an inexplicably long period. I think developers naturally are concerned about that too. The problem is that the bill does not stipulate any time line for review of proposed development projects. In my home province of Manitoba the time line is six months. However, under this bill, in Yukon the process could drag on indefinitely and that is not a good idea.

The second category of concern is the area of bureaucratic inefficiency. I am always concerned about this.

Each of the six assessment districts that are proposed by this bill within the territory have the ability to make up their own rules which have the weight and force of regulations without ministerial approval on such matters as integration of scientific information; traditional knowledge; other information; the form and content of proposals; the determination of the scope of a project; participation in evaluations by the public and interested parties and different types of evaluations for different types of projects. That is in clause 31 of the bill.

This means despite the government's use of words in its promotional material such as "single window", there is no such single window. There will not necessarily be a single window within the Yukon territory for the approval of projects because each of the districts may have different and in fact somewhat contradictory requirements.

In clause 6, some projects will still be subject to the Canadian Environmental Assessment Act. This too contradicts the government's claim that the bill will create a single window for project review and approval.

Another bureaucratic concern we have is that the minister will determine the location of board offices in each assessment district. That is in clause 22. Offices, we believe, should be located according to certain set criteria. One of those could be cost effectiveness. One of them should not be political considerations.

In terms of accountability, something which we are certainly concerned about here, there is no requirement for the budgets, consolidated financial statements or audits of the board to be made publicly available. That is in clauses 26 to 28. Only an annual report of the activities of the board must be made public. That need not include necessarily consolidated financial statements or audits.

As well, in terms of accountability, the minister will determine the amount of time the board has after each fiscal year to produce its consolidated financial statements. That is left fuzzy.

In terms also of accountability, the minister will unilaterally approve the board's budget as submitted or make any changes he sees fit. He has to seek the views of the Council for Yukon Indians, the territorial government and the board, but at the end of the day it is the minister himself who sets the budget.

Naturally, given the recent concerns expressed by our members about the behaviour of certain government frontbenchers in terms of ethical conduct, patronage issues naturally would be something we would have to raise in the context of this bill. Patronage as opposed to representation is always a concern.

The minister, in consultation with the environment minister, will appoint all members of the board and determine their remuneration. Most appointments require the minister to consult with the Council for Yukon Indians and the territorial government. Some will be appointed unilaterally by the minister and others must be appointed on the nomination of the council or the territorial government.

We note there is no representation whatsoever for business interests on the board. Only first nations and the territorial governments will have input into the board's composition. A government fact sheet that we obtained states that the act will create an "arm's length assessment board". We would question whether a board appointed by the minister is necessarily an arm's length board, especially lately.

Also in the bill only a bare majority of the board members plus the chairman must reside in Yukon. That is in clause 9. A member spoke about that a little while ago. We would prefer to see local representatives with a demonstrable interest and an expertise in sustainable development as the predominant presence on any board.

As the member referenced earlier, the bill has been a long time in coming.

● (1630)

In closing my specific comments relating to the bill, the bill is a requirement of the umbrella final agreement that was given force by the Yukon First Nations Land Claims Settlement Act. That bill became effective on Valentine's Day in 1995. People have seen a lot of Valentine's Days waiting for this legislation to come into being.

The umbrella final agreement called for environmental assessment legislation to be passed no later than two years after the settlement legislation. That would mean the bill is six years late. One can only hope the promise of the bill is closer to being achieved than the promise that was made to produce the bill some years ago.

We have seen and heard a lot about the Solicitor General lately. This is very relevant because as I said earlier, the nature of this kind of legislation is it has to stand up to a triple *e* test. It has to achieve a balance between economic and environmental interests, but it also has to have an ethical component to it if it is going to be effective.

Yet, we have learned from data provided by the Canadian Taxpayers Federation that, for example, ACOA has cut almost 100 cheques worth over $4 million to various individuals and enterprises in the Solicitor General's riding. I should elaborate that these cheques are for million dollar projects down to thousand dollar projects. Some refer to these things as pork barrel politics and perhaps they are right, unfortunately.

This week the Solicitor General's office has told the media that the minister's role in getting funds for the area as a local MP is something he defends. The minister has defended this behaviour as well. In fact, he has defended it not so much by saying it is right, but by saying that everyone else is doing it too. I kind of agree with a columnist who in his closing comments said that the only thing worse than a crooked politician is an honest one who does not recognize that what he is doing is wrong.

Let us talk about how wrong this is. Let us talk about rent seeking behaviour. This is a phrase I have just come to learn about. If there were pictures in this book on rent seeking behaviour, I think they would have pictures of the government members on the front bench to illustrate the validity of the concept.

I refer to a book about first nations people wherein rent seeking behaviour means the efficiency with which a tribe's resource endowment is used determines economic success. That is a good statement. This in turn depends on the institutional environment. The crucial question is, and this is relevant for the Canadian tribe, what incentives do individuals in both the private and political sectors have to improve the efficiency of resource allocation?

Historically, we know aboriginal cultures survived for centuries without our help with tremendous adaptation and tremendous skills. Indian culture has demonstrated the ability to survive by making the most of resource endowments. However, bureaucratic constraints have left their negative mark on the ability and individuality of individuals and tribes to utilize their resources efficiently.

Regardless of resource endowments and the knowledge of how to use them, what is it that determines whether societies prosper or decline? It is called the rules of the game. In these rules of the game, channel resources toward productive activities, foster investments that have long run returns, encourage gains from trade, and prosperity is more likely. What this country needs is more prosperity so we can support the things we care about and the people who need that support. Prosperity is what we should be after. How do we get prosperity? We encourage people to channel resources toward productive activities.

● (1635)

What happens when we do the opposite? What happens when there are government members who engage in behaviour which causes wealth to be redistributed in a zero sum gain that creates uncertainty about the future ahead? Poverty is what happens. I am not just talking about symbolic poverty. I am talking about real poverty. I am not just talking about moral depravity and ethical despondency here. I am talking about the reality that occurs when resources are squandered, when they are wasted. What happens is poverty. Poverty is more likely in an environment where people abuse the privileges that they have in leadership roles.

The fundamental problem of political economy is how to endow the collectivity known as government with enough power to establish and enforce rules that can expand the size of the economic pie without that power being used to garner returns for those in power because that leaks off the gains. It would be like pumping up a tire with a big hole in it or pouring gas into a tank with a hole in the bottom of it; one just cannot get ahead.

I used to have this old Lincoln. It was about 12 years old. One time I was fuelling it up and I had been at the pump for about 10 minutes when the gas station attendant looked at me and said, "You had better shut this off. I don't think we are gaining". That is the kind of problem we have when a government squanders the resources of the people.

How can we pump up the economic capability of our country and support the people who need our help and support when the resources are being squandered? That is called rent seeking. To the extent that political power can be used to redistribute wealth as opposed to create it, individuals will compete to capture that power through what economists call rent seeking.

Campaign contributions will be made and expended, lobbying will dominate the decision making process and political favours will be returned for support. As resources are consumed in the rent seeking competition, the size of the economic pie shrinks. Short term decisions that enhance the wealth and power of those in control are substituted for long term, true economic development.

That is why there is concern in the Yukon about the legitimacy of this bill. There is concern that the bill, despite its good intentions and good words on paper, will not be used for anything but more rent seeking behaviour by government and by government's friends. That creates poverty. Poverty is a concern in the Yukon and a major concern to all thinking people in this country.

In private contracts we rely on a third party, impartial enforcer, usually a government provided court, to arbitrate disputes and guarantee performance. However when government itself is the enforcer of rules, there is not an impartial third party enforcer to which citizens can turn for recourse, the government itself being the arbitrator. What we have with the bill is a situation where the government is granting itself more authoritative power under the guise of distributing it widely among groups which ultimately do not have the final say.

What we have opposite is a government which, through the Prime Minister's Office, although less so lately I think because of the nature of the Prime Minister's tenuous hold on power, concentrates power in the hands of a few and which unfortunately and all too frequently seems to be willing to use that power to benefit itself and its friends. That is called rent seeking.

We know who pays the rent. It is the taxpayers of this country. We know who ultimately will pay the rent. It will be the people who are counting on the government and the state to provide services to them in various areas of importance, such as health care or law enforcement, where those services are not offered effectively because of the diminution of resources available to provide those services.

We know ultimately somebody will pay for the money that is going to the friends of the government. It will not be the friends of the government; it will be everybody else. That dispersed cost versus the concentrated benefits in the hands of a few people is what the government is counting on. The government is counting on all of us being willing to have its hands in our pocket for a few dollars so it can take the big dollars and give it to its friends. The government is counting on us caring less because it is a small amount for the rest of us, the other 25 million or so who are paying the bills. It does not think we will care enough. It thinks it is a small enough amount that we will just contribute it.

● (1640)

At the same time that money is being thrown away on Challenger jets and needless projects that do not really develop any sustainable jobs or real economic benefits to anybody, the government talks about raising taxes for health care. Why can we not just take the pork barrel money and put it toward health care and forget about raising taxes?

For too many years before I entered the world of politics, I was guilty of sitting back and occupying myself with the endeavours most Canadians occupy themselves with. I was involved in my own life, my own family, my own private sector and volunteer activities. At times I suppose, although I was never indifferent, perhaps with so many other priorities in my life I was somewhat oblivious to the affairs of government, trusting that this institution here would protect my best interests.

I am telling you, though, Mr. Speaker, my trust has been shaken. As I watch the behaviour and see the repeated behaviour of members opposite and I listen to them defend that behaviour, I wonder if this particular columnist is not right on when he says that the only thing worse than a crooked politician is an honest one who does not recognize that what he is doing is wrong.

I honestly believe that all members of the House came here with the best of intentions, but I do sense an institutional malaise on the part of the governing party that is most disquieting. That malaise is not only a willingness to engage in this rent seeking behaviour I talked about, to try to profit themselves and their friends and their supporters from the operation of this government paid for by working people across this country. The government not only engages in that behaviour, but worse than that it defends that behaviour, and in defending it, it promotes it. In promoting it, it encourages Canadians to believe, as my belief is growing, that this place is sick and in need of help.

There are a lot of people across the country who do not have the benefits of elected office. Many of them unfortunately do not have the respect for elected people that perhaps we believe we deserve. I see the conduct of members opposite and I see a willingness to award grants, handouts of innumerable dollars, not on the basis of meeting a competitive challenge, not on the basis of providing a service at lowest cost and highest quality, but rather simply on the basis that people supported or were a friend of a member of the House. I have to say that those working people across this country must have a very sick feeling in their stomachs knowing that every month their paycheques are being eroded by that kind of conduct and that kind of behaviour.

I have been on a lot of teams, and I admire people who are good team players. I think it is important to support one's teammates, but when those teammates are wrong, as members on the front bench are in the way they are conducting themselves and the way in which they are abusing the trust of the taxpayer, it is important that members on the other side, in those positions of influence that they were elected to by their constituents, speak up about it and demonstrate that they are not condoning it.

I listened to the former finance minister campaigning on the basis of Preston Manning's promises in the 1997 federal election. When Preston was leading the Reform Party and the 1997 campaign was underway, he made a compelling point that drew a lot of support to him. He said that it was time for a fresh start, that there was going to be a basis for that fresh start. I remember one particular advertisement during that federal election. Mr. Manning stood beside a chair and said "See this chair? This chair comes from the House of Commons. A lot of people elected to the House of Commons think it's their chair, but I say it's your chair". That remark struck me. Those were good words, a fresh start.

● (1645)

The former finance minister is running on a fresh start platform now. He is running for the leadership of an old jalopy. He thinks a new coat of paint will give it a new engine too, but the paint will not affect the engine. The reality is that what he is running on, what he is saying, is to give a greater voice to strong backbenchers in his caucus, but nobody gives someone a voice. They have their own voices and they had better start using them, because on the backbenches of the government they are as much a part of the decisions made by the frontbench as the frontbench is in doing it. It is not enough that they are taking orders. It does not work anymore. It did not work in Nuremberg and it does not work here. People make decisions on their own, of their own free will. Nobody ordered them to be quiet about the wrongdoing of their colleague, so it is time to speak up and say it is wrong.

● (1650)

Mr. Peter Adams: Mr. Speaker, I rise on a point of order. I was just out for a moment and I am not sure which bill it is the member is speaking to. Are we debating something to do with Parliament in general, something to do with the rules of the House? What is it? I thought from the order paper it was something to do with Yukon and the follow-up of the important legislation which the House passed in support of Yukon first nations.

The Deputy Speaker: If I can interpret, and I can only hope to interpret the intentions of the hon. member for Peterborough accurately if he is speaking to the question of relevance, we know from time to time that members take little side roads but always come back to the main thrust of the debate that preoccupies the House. I am sure there is no exception here and that the hon. member for Portage—Lisgar is going to return very quickly to the substance of the issue before the House.

Mr. Brian Pallister: Mr. Speaker, the member for Peterborough is quite right. He actually helps reinforce the point that I am making, a direct and very relevant point related to this piece of legislation, which is his absence. His absence makes his ability to comprehend the legislation, although I am not referring to his absence—

The Deputy Speaker: I just want to remind the hon. member, who has become a well-experienced member of Parliament, that at no time do we speak of the absence of any other member from the Chamber.

Mr. Brian Pallister: Certainly, Mr. Speaker, I did not and will not refer to the absence of the member from the Chamber. Of course what I was referring to was his reference to his own absence, which is quite different. I certainly believe, and let me point out—

The Deputy Speaker: I do not know that I can follow quite as well the intentions of the hon. member. I think it is best to keep it not grey but black or white. For someone to speak about himself or herself, notwithstanding, I would be hard pressed to intervene, but as an additional party I think we have to resist that temptation, as great as it may be from time to time, as the case might have been in the last few moments.

Mr. Brian Pallister: Mr. Speaker, I will not refer to his absence. I will just say that if he were here he would have heard the full context of my comments and would know exactly what I had said and what point I was making directly and I think very relevantly focusing on this bill.

The point I was making, of course, is that the conduct of all members in the House as individuals reflects on the conduct of all of us as perceived by the public generally, and that this reflection of our own ethical conduct is very relevant to how legislation such as this bill will be perceived by the people in Yukon.

It is not enough to have good intentions. I am sure, as I said earlier, that the member opposite has great intentions. I believe that sincerely and I believe that of most members in the House, but certainly good intentions are not enough at these times. Perhaps there are good intentions in the awarding of untendered contracts, too, but the byproduct of that kind of behaviour is that it casts all of us in a negative light. I believe that. I think it is sad and unfortunate that this conduct, so reprehensible to so many of us here, is defended by some of the members opposite. Clearly one should not try to defend the indefensible. The violation of Treasury Board rules, clear and apparent as it has been done, and the continued defence of an ethics counsellor and the presence of an ethics counsellor in this country that is not accountable to Parliament, I think is also another issue that we should—

Mrs. Karen Redman: Mr. Speaker, I rise on a point of order to raise the issue of the pertinence of my hon. colleague's comments to the YESEAA bill.

The Deputy Speaker: The issue with regard to relevance has been raised by another one of our colleagues on the government side. It is difficult from time to time to know just how much longer or how much further a member may want to reach in his comparisons or whatever information he wants to use to make the substantive argument to the issue before the House.

From my experience, in the end members always come back to the substantive issue. From time to time they do sort of go off on a little tangent here and there but it is very elastic, this relevance issue. I am sure that the member for Portage—Lisgar will get back to the more specific issue before the House.

● (1655)

Mr. Brian Pallister: Thank you, Mr. Speaker. Again, I think the inability of the members to understand the direct relevance of what I am saying makes my very point. It strengthens my point. The reality is that ethics is something that matters in all the legislation we discuss in the House. It matters deeply, so a discussion of ethics is not only relevant but central to the nature of legislation such as this Yukon assessment act.

I also notice that there is a direct correlation between the number of times that members opposite rise and declare their protestations about the relevance of members' speeches on this side and the great sensitivity they feel about the points being raised. They should recognize that the more they raise themselves from their seats and object to the relevance of my comments, the more they encourage me in them. I suggest that this is something they should consider.

Certainly I am speaking on behalf of many Canadians when I say that I believe the conduct of the government is reprehensible. I believe its ethical conduct and misconduct is directly a factor to consider as we weigh this and many other pieces of legislation in the House. There must be an ethical basis for legislation that we pass here. When the government's conduct is not such as to strengthen that, then the government weakens its own legislation. That is precisely what it has done with this. That is why we cannot support it without significant amendments.

In closing, I suggest that the government consider not only the larger and most important issue of cleaning up its act in terms of its ethical conduct, which of course is central to legitimizing any piece of legislation it comes forward with, but also that it consider to what degree the legislation will provide disincentives to potential developers to locate and risk capital in the Yukon area. The degree to which that will happen is something we should be discussing and we certainly will discuss. The Canadian Alliance will continue to advance amendments on this piece of legislation which would make it more effective in delivering on the promise of sustainable economic development to the people of Yukon.

The second consideration I would like to make sure that we drive is the issue of bureaucratic inefficiency. We want to make sure that the promise of an efficient assessment process that fully considers the socio-economic and environmental aspects of proposals is bureaucratically efficient, that it have a timeline, and that it be clear that the process cannot drag out indefinitely, as this is not in the best interests of the people of Yukon and the people of Canada.

Finally, I would like to make very sure, as we always do on this side of the House, that there is accountability present in the bill, that we are sure that the accountability mechanisms contained in the bill are strengthened through amendment and are capable of ensuring that the people of Yukon have a strong opportunity and a strong voice in every project that is advanced, but also that they have a strong presence in all the bodies that deal with the projects and a strong opportunity to be employed as a consequence of the ultimate approval of the projects as determined by these boards.

We do not want to see this act create an additional opportunity for the minister, as too many of his colleagues seem to be willing to do, to use patronage rather than representation in the mechanisms proposed by the bill. We know that the bill is six years late and is probably too little for many people and too much for others, but we recognize the difficulties in balancing those economic and environmental interests. We also want to point out that with a triple E piece of legislation, such as we have been promoting in another category for a long time on this side of the House, there are economic and environmental concerns but there is also an ethical concern, which is the one that is foremost in the minds of many Canadians today and foremost in the minds of the Canadian Alliance as we continue to advocate ideas that will make the country stronger and better.

● (1700)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very pleased on behalf of the NDP to join the debate on Bill C-2 and, unlike the previous speaker, I welcome the opportunity to speak to the bill because the NDP caucus is very much in support of Bill C-2.

We have watched with great interest and great care as we have gone through the various aspects of Yukon governance for aboriginal people, the first nations communities in Yukon. We see this as a logical next step as we implement the first nations self-governance in Yukon and give them greater control over their resources, their land base and the issues for which they very much deserve to have a voice.

Bill C-2, otherwise known as the Yukon environmental and socioeconomic assessment act, is a proposed federal statute that has been developed pursuant to chapter 12, the development assessment process, of the Yukon first nations final agreement, the umbrella agreement that was arrived at in the process of negotiating first nations self-governance. This is something we have been looking forward to and welcoming for quite a number of years.

The purpose of the Yukon environmental and socioeconomic assessment act is to ensure that the potential environmental and socioeconomic effects of projects are assessed prior to any level of government, federal, territorial or first nations, deciding whether it should be or should not be allowed to proceed.

For clarity we should know what we are talking about. I am not sure that the previous speaker from the Canadian Alliance actually ploughed through the very lengthy briefing book that we have here. He seemed to be raising issues that had very little to do with this important bill.

The process of assessing the effects of a project will be referred to as the assessment process while the process of deciding whether a project should go ahead will be referred to as the regulatory process. We should have those two avenues clear in our mind as we go into greater depth in our analysis of the bill.

It is actually critical to note that the leadership of the Council of Yukon First Nations wholly supports the bill at this time. This should be all that we need to know as parliamentarians in the federal House of Commons. Once we are satisfied that broad consultation took place among the stakeholders and once we are satisfied that the very people who would be most directly affected by the bill are satisfied with it, who are we to stand in the way of the bill moving through the various steps and being implemented into law? We could view it as arrogance to do otherwise and certainly as cheap politics to score political points for things that are entirely unrelated.

We would do a great disservice to the people of Yukon and certainly the first nations of Yukon if we were to ignore the representations they have made and the work they have done to put together Bill C-2 and to get it to the stage where we find it today.

I mentioned that we wanted to be satisfied that there has been broad public consultation, which is something I will deal with in more depth later, but we are satisfied in this case. In fact we could almost use this as a template model for how consultations should take place if we are serious about garnering real input and real representation from various groups. If we look at what they have done in Yukon over the past five or six years leading up to this particular bill, that is a process that we should be using for other legislation as well.

I note that there were two major rounds of complete touring consultation throughout Yukon. There was one for 90 days that went to every community and first nations village throughout the whole Yukon. Every first nations community not only had an opportunity to send in written submissions on draft one but each community had an opportunity to have an open public hearing in its community.

Taking what they had heard in that initial consultation process, the drafters of the legislation, the tripartite committee that was struck to put this together, took back what they heard, implemented those changes and went for another exhaustive tour around the whole territory two years later with draft two, which I believe was a 60 or 70 day exhaustive tour.

● (1705)

I do not think anyone here could safely say that there was not adequate consultation, nor that the input during those sessions was disregarded or not treated with the respect that it deserved. We are satisfied in this case that genuine consultation did take place and led to what we think, as I have said at the outset, is a very worthy document.

As I mentioned earlier, we have two separate routes here. We are dealing first with the regulatory process and the assessment process. Dealing with the assessment bodies, as to who will make the assessment, the Yukon environmental and socioeconomic development act would establish the Yukon environmental and socioeconomic assessment board. It would also establish six designated offices located throughout Yukon. Again, what could be viewed as a model of decentralization, this board would not be concentrated solely in Whitehorse. There would be an opportunity to have fully staffed offices spread throughout the Yukon in the regions of the north.

The board would be made up of seven members, three of whom would make up the executive committee. The Council of Yukon First Nations and Canada would each nominate one member to the executive committee. The hon. member from the Canadian Alliance, the Indian affairs critic for the Canadian Alliance, said that this could make room for patronage appointments, that there may be an opportunity for abuse in the composition of this board. This was dealt with in the early stages. How this board will be struck will be critical for the ongoing success of the operations of the board and how it will be constituted has been set out in Bill C-2.

The CYFN, the Council of Yukon First Nations, and Canada would each nominate one member of the executive committee. The Minister of Indian Affairs, after consulting with the two other executive committee members, one of which, as I have said, would be nominated by the Council of Yukon First Nations, would select the third executive committee member who would be the chair of the board. I do not see room for abuse in this process unless the hon. member from the Alliance sees something that I am not seeing.

Two of the four remaining board members would be appointed also by the Council of Yukon First Nations, while the others would be appointed, one by Canada and one by the government of Yukon. If there is room for abuse or a patronage appointment, it would be for one member of the seven member board. I am not here to say that kind of patronage appointment never happens. Maybe the Government of Canada or the ruling party of the day will use some kind of a patronage appointment but it will only be for one board member because the possibility has already been contemplated and it has been nipped in the bud. It has been eliminated given the structure of the committee that is laid out in Bill C-2.

I admire the Alliance member for raising the possibility of patronage appointments but our caucus is satisfied that there is no such room for abuse in this particular process. Therefore that is not one of the justifiable grounds for trying to block or to stall this important bill.

Under the Yukon environmental and socioeconomic development act, the board may establish panels to conduct panel reviews. These panels must be made up from board members. Again, I do not understand where the room for abuse comes from.

One of the features that I particularly like about the bill is that six small communities would have designated offices, although I am not sure which six communities would have them. I presume Dawson City would be one and possibly Old Crow, Teslin, Tagish and Mayo the other ones. I am not sure which communities would get these various offices but they will be located in each of the assessment districts.

It is easy to say that Ross River and area could be considered one development area. Certainly the Dawson City area and the gold fields, et cetera, is another with the mining interests in that area. Haines Junction and the far western part of Yukon might be considered another area. However the boundaries of the assessment districts and the location of these designated offices would be worked out in the implementation phase of the YESAA.

On the board's recommendation, the number of designated offices and the assessment districts can be increased or decreased to meet operational requirements. In other words, flexibility is built into the bill so that we can increase or decrease the number of regional offices to meet the various application demands that may be put forward.

● (1710)

The logical question is: What sort of activities would be subject to assessment? I believe the Alliance member was fearmongering when he said that some business venture may come forward and have its project nipped in the bud by this new authority in Yukon that may scare away investors and turn down their applications. If the member had read the briefing book or perhaps listened he would know the sorts of projects that would be subject to assessment and what project's assessment would be waived, deemed unnecessary or exempted from the assessment process.

The project list regulator will be the body that will determine which activities are subject to assessment and which ones are not. The goal of the PLR is to catch those projects which pose a potential risk to the environment and/or socioeconomic impacts while ensuring that activities which do not pose any risks are exempted.

In other words, if there is no environmental or socioeconomic risk to the activity that is being proposed, it does not have to be subject to an assessment review. It is only activities or enterprises which do pose an environmental risk or a socioeconomic impact on Yukon that would be subject to the assessment. I do not see how that differs from the current status quo, which is the Canadian Environmental Assessment Act as it stands today, which this bill will supercede once it is implemented.

Under declarations, the parties recognize that there may be some activities that do not pose any risk under normal circumstances but, because of special conditions, the risk may be increased and therefore the activities should be assessed. The type of things they are getting at there are culturally sensitive issues, issues that have a social impact as much as an economic impact and as much an environmental impact.

To address that, Bill C-2 provides for exempted activities to be declared where any level of government with authority for the activity is of the opinion that there is a risk of impact. This again is contemplated and a clear course of action is laid out within Bill C-2 that might be dealt with if necessary.

If several governments are decision makers for a project, they must all consent before an activity is declared to be a project. This is intended to allow an activity that would not normally require an assessment to be assessed if there are particular concerns. For example, if it were to be carried out in a sensitive area or if there were issues of cumulative impacts that were not part of the original activity or enterprise.

The entry point also is pointed out or itemized and assessed in Bill C-2 that most projects will enter the assessment process at the designated office level in the region in which the enterprise will take place. A small number of large or complex projects will enter into the assessment process directly at the executive committee and will not undergo any assessment by a regional office. This would have seemed logical, quite straight forward and easy to follow had the people debating the bill today actually gone through the briefing notes.

When the designated office makes an evaluation on a project, it will be subject to further review from the central board as to whether it should immediately go ahead, whether it should go ahead with specific terms and conditions, whether it should be barred or whether it should be referred further to the executive committee for its recommendation as well. The executive committee has an alternate screening role. The projects that are submitted to the executive committee will be screened again for the same four tests. The committee ultimately can order that perhaps the project should go to a public panel review or some other form of public consultation review.

As members can see, this is perhaps why the bill took a number of years to get to this stage. It is very complex and it is difficult to foresee all the possible implications or possibilities that might come forward and to deal with those eventualities.

● (1715)

The boards and the bodies can issue documents allowing a project to go ahead without any further review. I do not think I will deal with those technical aspects any longer because I am aware of the time limitations.

I will try to answer the question in which most people in the House should be interested, which is this. What will the Yukon environmental and socio-economic assessment act mean for Yukon first nations? That ought to be the ultimate question with which we should be dealing today and with which we should be seized.

We believe that Bill C-2, or the YESAA, will fundamentally change the role of first nations in environmental assessment in Yukon. Perhaps that is really more to the point to which the member from the Canadian Alliance was objecting. We have noticed a pattern with the aboriginal affairs critics from the Canadian Alliance systematically opposing every move toward true self-governance for aboriginal people and systematically trying to cite reason after reason why aboriginal people should not be given the next stage in their own self-determination.

We believe this will change the role of first nations in environmental assessments in Yukon because under the current assessment regime, the Canadian Environmental Assessment Act, first nations have had very little opportunity to participate in any meaningful way with these environmental assessments. Under Bill C-2 they will play a much larger and more significant role.

Some of the issues of serious concern to first nations such as the socioeconomic and cultural effects, which were not given any consideration under the Canadian Environmental Assessment Act, will be a very important part of every assessment under the new YESAA.

For further clarity, under the YESAA, assessments will now be conducted by neutral assessment bodies rather than by self-assessment by government alone. This is a fundamental change. This will be an independent board made up by stakeholders nominated by first nations and the other players, the federal and territorial governments themselves. These issues will be dealt with by the board rather than by the government itself, which obviously led to a certain conflict of interest.

The assessment bodies must seek the views of any first nation that will be affected by the project. In other words, the mandatory consultation process is built in here. It will not be left subject to the courts. It will not be required to be heard. A first nations community would have to seek legal redress and demand to be heard. That process is built into Bill C-2, much to the satisfaction of the people involved.

Also integral part of Bill C-2 is that every existing project must consider as an aspect of going ahead the need to protect first nations rights under the final agreements, under the umbrella agreement. In other words, there can no longer be any doubt, and we do not have to go to the courts again, that any developer must consider first nations' rights when they undertake an enterprise.

We have had recent court rulings like the Haida ruling in B.C. dealing with forestry issues. For the government to do any development affecting first nations and treaty rights, the consultation process is necessary. However up until today third parties, business enterprises, did not necessarily have to take into full consideration treaty rights of first nations people that might be affected by the economic enterprise being undertaken. Now, under Bill C-2, for any future development of Yukon, it is mandatory and binding that the need to protect first nations' rights under final agreements, or first nations' special relationship with the wilderness environment or first nations cultures, traditions, health and lifestyles must be taken into consideration before a permit will be issued for that development or that enterprise within Yukon.

Also within Bill C-2, one of the biggest changes for first nations people in Yukon, is that both assessment bodies and other bodies must give full and fair consideration to traditional knowledge. The words traditional knowledge show up in Bill C-2, as do references to culture, tradition, health, lifestyle and first nations' special relationship with their wilderness environment. There has never been a document so culturally sensitive when it comes to first nations people as this bill, so it is shocking to me to hear any major party in the House of Commons speak openly that it cannot support it.

● (1720)

This is breaking new ground. This is forging a whole new path for our relationship with aboriginal people and economic development. If we hear every party in the House of Commons saying that the answer to the atrocious conditions is economic development, well here is the acceptable road map as negotiated between the affected stakeholders in Yukon by which such economic development can and shall take place with sensitivity toward the special relationship to the wilderness environment, the cultural, the economic, the traditional, the health and the lifestyle issues that any such enterprise might affect.

As well the assessments of every project and existing project must consider the potential environmental and socioeconomic effects which include effects on economies, health, culture, traditions, lifestyles and heritage resources of the project. In other words, if a mining enterprise might interfere with a traditional fishery, even if one is of a much larger magnitude than the other, the traditional enterprise must be taken into consideration before the new economic development enterprise is given a permit and allowed to go forward. That was not the case.

That might seem like common sense but up until today, until we pass Bill C-2, that has not been the case. That is why we have a backlog of 200 such cases before the courts today. The only redress aboriginal people have, if they want consideration of those cultural issues, is to go to court and fight for it, unless someone voluntarily recognizes their right to have those traditional issues recognized.

Another effect of Bill C-2 is that the participation of Yukon Indian people in the assessment process is guaranteed. It is not something that will be granted when it is not an inconvenience and be withheld when it is inconvenient. It will be guaranteed.

Federal and territorial decision bodies much consult with the first nations without final agreements. In other words, those first nations within Yukon that are not members of the Council of Yukon First Nations, and there are some, must be satisfied as well. They are being folded into this umbrella deal. Maybe that is the wrong term because we refer to the Yukon self-government act to this day as the umbrella framework agreement. However those first nations who are not currently members of the Council of Yukon First Nations will have their concerns dealt with as well. I think they are the Kaska and the Kwanlin Dun, and there may be others. I believe that 9 out of the 14 first nations are members of the Council of Yukon First Nations.

Some, for whatever reasons, are not currently members of that plenary organization. They may be in the future but in the interim federal and territorial decision bodies must consult with the first nations that are not part of any final agreements so far, before issuing decision documents for projects that will affect their traditional territories. In other words, some activity or enterprise could take place on areas where current claims are in effect. That would be wrong and might jeopardize future negotiations and the settlement of those claims. We all believe that it is in everyone's best interests to have those claims settled and nothing that takes place should interfere with the progress being made as we work to finish those negotiations.

Self-governing first nations will be decision bodies with respect to projects on settlement land. This is a whole new status. This contemplates that we have to get our minds around a whole new way of dealing with economic development on first nations land, and that is where Bill C-2 breaks new ground. It really shows us a template, a model, which has been arrived at through an exhaustive consultation process and it shows us perhaps a template for future settlements in other parts of Canada. Maybe it is a good thing.

● (1725)

Earlier today I met with the representatives of the Council of Yukon First Nations and said that perhaps the reason that we arrived at such a civilized, thorough, comprehensive and almost unanimously accepted document is that Yukon is kind of a nice, manageable size. Yukon is almost a microcosm of the rest of Canada when it comes to relationships between first nations and the federal government. Maybe because the population is small and manageable enough we have done it here as a template, as a pilot project, and perhaps this model will work in future negotiations as well.

The implementation of the Yukon environmental and socio-economic assessment act or Bill C-2 is structured in such a way that part 1 will come into force on royal assent while parts 2 and 3 will come into force up to 18 months later. This will allow the parties to make appointments to the board early on so that the board can begin to develop and put in place rules and bylaws, hire staff for the board in designated offices, et cetera. After 18 months or less the actual assessment process will come into place. Therefore, it is fair to say that no new projects will be developed in Yukon under the rules of the new assessment act until some time in 2004.

I began my remarks by saying that Bill C-2 finds its origins in chapter 12 of the umbrella framework agreement. It is instructive to those who perhaps have not dealt with this bill very much to realize what tests have to be met for Bill C-2 to truly reflect the details of chapter 12 of the umbrella framework agreement. The chapter was to provide for a development assessment process that recognized and enhanced, to the extent practicable, the traditional economy of Yukon Indian people and their special relationship with the wilderness environment.

The directive was to put in place a development assessment process that provided for guaranteed participation by Yukon Indian people and utilized the knowledge and experience of Yukon Indian people in the development assessment process. Does Bill C-2 meet that test? I argue, upon reading the bill, that yes it does.

Does Bill C-2 meet the test that we need a process which protects and promotes the well-being of Yukon Indian people and their communities, of other Yukon residents and the interests of other Canadians? Does it meet that test? Again we are satisfied that, after an exhaustive consultation process of all stakeholders, there is unanimous consensus virtually that yes in fact Bill C-2 does promote and protect the well-being of not only Yukon Indian people and their communities but of other Yukon residents as well and the interests of other Canadians in general.

Does Bill C-2 protect and maintain environmental quality and ensure that projects are undertaken in a manner consistent with the principles of sustainable development? That is what the bill is about. The very substance of the bill is that it must be in keeping with the principles of sustainable development but with special consideration of the cultural, traditional and unique relationship that first nations have with the land.

Does Bill C-2 protect and maintain heritage resources? Bill C-2 specifically refers to heritage resources. Again, it is groundbreaking and precedent setting legislation that takes into consideration those intangibles, things that do not necessarily have a large market economy value, but have value in the traditional lifestyles of aboriginal people.

Does Bill C-2 provide for a comprehensive and timely review of the environmental and socio-economic effects of any project before the approval of the project? Contrary to what the member from the Canadian Alliance was saying, yes it does. It has guidelines and time frames. We will not have cases where a development application is held up for years and years. That is the status quo. That is what we have now. We might have a mining enterprise that wants to start an operation 60 miles outside of Dawson City and it might wait five years for all the various assessments to take place such as the water surface assessments, the transboundary assessments and the exhausting assessments that need to take place.

● (1730)

What would take time, what would bog down and bury a number of economic development projects in Yukon is if Bill C-2 were to wind up in the courts. What if the first nation community that is close by says that this enterprise fails to take into consideration its historic right to have input into this project and it takes two or three years for the courts to deal with that case?

That is when venture capital runs scared because venture capital seeks stability and a process that it can trust and rely on, with a known timeframe to get an answer of whether the project will be reviewed or not.

Bill C-2 would give that satisfaction and that comfort to investors, that at least there is a mechanism in place that would not be challenged in the courts and that within a specific timeframe they would get an answer as to whether the project should or would go ahead or not.

Does Bill C-2 provide for a comprehensive and timely review of the environmental and socio-economic effects of any project before the approval of the project?

Again, to meet the tests of finding its origins in chapter 12 of the umbrella framework agreement it has to. The experts in the field, many of whom are in the gallery watching today, the people who have spent the last seven years developing this, are satisfied that Bill C-2 would meet this test, that it would provide for a timely review of the environmental and socio-economic effects of any project before the approval of the project.

Will Bill C-2, upon its introduction, avoid duplication in the review process for projects? This is an issue that was put forward on behalf of the developers and business interests that may be affected.

Does this avoid duplication in the review process for projects and, to the greatest extent practicable, does it provide certainty to all the affected parties and project proponents with respect to procedures, information requirements, time requirements and costs?

These are key questions that need to be answered before economic development venture takes place in Yukon.

We are satisfied again that Bill C-2 is comprehensive enough in its scope and its mandate that these pressing questions would be addressed, the business community can feel comfortable that these issues are addressed and that all affected parties and project proponents would be satisfied that the duplication of procedures, information requirements, time requirements and costs would be of be avoided with Bill C-2.

Will Bill C-2 require project proponents to consider the environmental and socio-economic effects of projects and project alternatives and to incorporate appropriate mitigative measures in the design of projects?

I will leave that one up to the experts who have reviewed these cases. They are satisfied that Bill C-2 would address that concern and that those are the objectives of chapter 12 of the umbrella framework agreement that must be met in order to call Bill C-2 an accurate reflection of that chapter.

We in the NDP caucus believe that a large part of the success of reaching consensus with Bill C-2 is due to what we are pleased to point to as the most comprehensive consultation process that we know of in issues dealing with aboriginal affairs.

It is a point of legislation that with any government legislation implemented that may affect or may have an impact on treaty rights, or traditional rights, or the constitutional rights, or even the common law rights of aboriginal people, there must be a round of consultation. However the confusion has come, and it has again come to a head under the first nations governance act, or as the aboriginal affairs standing committee deals with the first nations governance act, just what is broad consultation? What is the definition of broad consultation? What satisfies the tests of having been fairly and adequately consulted if that is what is mandated in the legislation?

I would like to speak to that briefly because we believe if the fruit of genuine consultation is a quality piece of legislation, such as Bill C-2, then what can we anticipate with Bill C-7, the first nations governance act, with a consultation process that all parties agree is largely flawed, incomplete and less than comprehensive?

It is instructive to look at the principles of consultation and see if they were met in the consultation leading up to Bill C-2. Can we look at the methodology used for consultation in Yukon and find the formula, the recipe, and the methodology that could be implemented elsewhere?

I should start by saying that aboriginal people, through their first nations plenary organizations, such as the Assembly of First Nations, have some specific and definite thoughts as to what constitutes genuine consultation. In their view it is key and paramount and fundamental, in a true consultation process, that there be no predetermined agenda brought to the table. In other words if it is a genuine consultation, if one is really seeking the input of the people that one is asking their opinion of one does not put an agenda on the table and say, "How do you like it?" The agenda is developed jointly. The parties, together, fashion the agenda.

I believe that is one of the things that was met in the Bill C-2 consultation process because they did not shop a finished document around. They took draft documents to the people, they listened to the input that they received, they took that input back and they implemented it into draft 2, draft 3, et cetera.

● (1735)

Another basic tenet for fair consultation is that the parties comprise federal and first nations governments meeting on a nation-to-nation, government-to-government basis. In other words, the historic imbalance in the power relationship between those two parties must be set aside for the consultation to be viewed as genuine, sincere and meaningful.

A third basic tenet would be that the parties exchange information, views and comments as equals and conduct their business with mutual respect and in good faith. There have been books written on what it means to negotiate in good faith. I do not have to cite the leading authorities on those legal definitions. In the House we all know what good faith means.

With regard to Bill C-2 and the consultations leading up to it, I have not heard anything in my experience after meeting in Yukon with the Council of Yukon First Nations and now meeting today with representatives from the Council of Yukon First Nations that would indicate that there was anything but good faith in the consultation process.

These consultations should be open and agreements be openly arrived at. In other words, there should be no selective or private side meetings, for example. If we are comparing a good consultation process with a flawed consultation process, like we saw in the first nations governance agreement, that is exactly what happened.

When the minister was finding that he was not hearing what he wanted to hear at the open consultation meetings, a bunch of side deals were made and groups were split off and hived out of communities. They were offered financial incentives to cooperate with the consultation process or even threatened with financial punishment if they failed to cooperate with it. That should stand as an example of what we do not want to see in present or future consultation processes.

Another basic requirement should be that first nations obtain and be given the fullest information to enable them to make sound and reasoned judgments.

The NDP caucus is satisfied that Bill C-2 is a bill that is worthy of our support. We see it as another step toward the realization of a dream for aboriginal people, for first nations communities in Yukon who are seeking self-determination and true self-government. The management of their own land and resources is key and integral to true self-government. Bill C-2, by putting the board in charge of the environmental assessment of developments, would go a long way to putting them in charge of the actual development of those resources.

● (1740)

The Acting Speaker (Mr. Bélair): I wish to inform members that with the next speaker speeches will be 20 minutes followed by a question and comment period of 10 minutes. Resuming debate, the hon. member for Dauphin—Swan River.

Mr. Inky Mark (Dauphin—Swan River, PC): Mr. Speaker, I am pleased to take part in this debate representing the Progressive Conservative Party of Canada.

I have listened to the debate very carefully as various members of different parties enunciated this afternoon. Bill C-2 is an act to establish a process for assessing the environmental and socio-economic efforts of certain activities in the Yukon. The key word is process. In essence the bill establishes a process.

On first reviewing Bill C-2 it appears to make a lot of sense. It puts in place a new arm's-length assessment board to evaluate new projects. That is the primary goal. It makes sense to have all the stakeholders, all levels of governments, sitting at the same table. I know that is not an easy accomplishment.

The purpose of this board is to do both environmental and socio-economic assessments for all new proposals. In other words, assessment is the key function of the board. If the process had been totally inclusive then obviously it is rational to think that the selection of the board should be an inclusive one and all the stakeholders should be represented on the board.

All Canadians are concerned about our environment. They are concerned about waste, natural and man-made; the generation and disposal of waste; recycling; clean water and air; as well as the promotion of a clean environment. Canadians believe that it is the government's role to protect our environment as well as our resource base not only for today's generation, but for our future as well. In other words, all new development should be evaluated through the environmental lens. That is what Canadians will have to learn to deal with.

It is interesting to note that Bill C-2, in large part, will supersede the Canadian Environmental Assessment Act on most fronts. In principle, the Progressive Conservative Party of Canada supports the process as established in Bill C-2.

This is not a perfect bill, as we have heard today. There is no such thing as a perfect bill when it comes to this place. That is why we have this process. This is second reading and from here it will go to committee. Hopefully we will make it more perfect in committee.

We believe that a single board to do the work is a good idea.

Let me make some comments about consultation. When the government says it has done consultation, 99% of the time I am a skeptic. In my five years in the House, having shepherded a number of bills through the House, I am always disappointed with the way that governments have consulted in the past on previous legislation.

With Bill C-2, I am pleasantly surprised that the government did some consultations. We have been told there have been two major rounds of public consultation during the development of the bill. The first was in the fall and winter of 1998 and the second in the summer and fall of 2001. Both rounds of consultation provided opportunities to all Yukon first nations to receive presentations and to provide their comments orally in their own communities. First nations were also invited to make written submissions.

The reason I am surprised is that for too long different levels of government, whether municipal, provincial or federal, tended to do business by themselves. What makes sense is to get people together to sit at the table to work out the problems, especially when something affects all three levels of government.

● (1745)

I am happy to hear that this process actually took place. If access had been truly given to all stakeholders, and if all levels of government were involved, then this can serve as a template for other provinces to follow down the road. From that perspective new ground has been tilled with this particular bill.

I must remind everyone in this place that government is about people and is for the people. That is why we must ensure that the process is an inclusive one on any decisions we make, and that we all sit at the table regardless of the level of government. We must think this through regardless of political affiliation. We are here to deliver service to the citizens and taxpayers who sent us here. This is what democracy is all about. From that perspective, Bill C-2, if validated to be true, reflects what democracy should be.

People in other regions will have taken a proactive approach with regard to the bill. It is in their best interests to be involved. It is the people's resource base and environment. We all know that it is also their future, both environmentally and socio-economically. They need to be involved in determining their own economic future.

As has already been mentioned today sustainability of all communities in Yukon is important as it is everywhere else in this country. Hopefully Bill C-2 would help bring that goal to reality. Bill C-2 should create an atmosphere of stability and even more important, it should develop an atmosphere of hope for the people who live in Yukon.

The PC Party of Canada supports Bill C-2 in principle. We support a grassroots driven approach to legislation that is long overdue. More legislation coming from that side of the House should follow this process. We look forward to working out the details of this legislation in committee. We need to validate both the process and the contents of this legislation. It would also be a good idea for the standing committee to look at the new regulations attached to the bill which are almost ready to be tabled. The details will be worked out in committee, and I look forward to debating them there.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I would just make a comment as opposed to a question so the member does not have to get ready. I just want to clarify a few technical things in response to the input from all the other parties. First, I would like to thank the members for Dauphin—Swan River and Winnipeg Centre for their glowing support of the bill, the process and the great insight they have had into the way it has been developed and what it can do.

As a clarification for the member for Winnipeg Centre, he was correct the Kaska and the Kwanlin Dun are not members of the CYFN, and the Kaska is made up of the Ross River Dene council and Liard first nation. There are some first nations that have not ratified their self-government agreement. He made the important point that all these are involved and will be consulted in the bill as well, so everyone is included.

The only reservations that have been brought forward in the debate are several from the Alliance, six from the member for Portage—Lisgar. I think he will be happy that all six are covered in the bill. I will just explain briefly how they are covered and basically, I think everyone will be on side, which is great.

I realize this is a complex bill so members might have missed some of the references that dealt with some of the concerns which were raised. Of course, I would like to thank them for their support of the final objectives, of which I think we are all in favour.

The first issue related to the mining certainty. It is an excellent example because it actually solves three comments. For example, with Placer Mining, there was a concern that there would be staking, which is not presently accessible under this act. Clause 2(3) of the bill states:

> In this Act, a reference to the granting of an interest in land includes only the granting of such an interest in circumstances where there is a discretion whether to grant it or not.

Because there is no discretion here, there is no difference and there is just as much certainty for the mine. In fact this illustrates three points, not only the point he was indicating but also the fact that there was consultation with the chamber of mines on this point.

The consultation was effective. This change was made because of the input from the mining community. It shows there was input from the economic community. I was at meetings with the chamber of commerce and the chamber of mines and they did have input into the process.

The second point was the clarification on timelines. The member thought there were not timelines but, as I and the member for Winnipeg Centre said in our speeches, there are. If members would refer to paragraphs 30(1) (d) and (f), they are actually specified right in those paragraphs. I will note one of those. Clause 30(1) states:

> The Board shall make rules, applicable to screenings by the executive committee and reviews by panels of the Board, with respect to ...

Paragraph 31(2) (f) refers to the periods, that is the timelines. It states:

> the periods within which the executive committee and panels of the Board must perform their functions under Part 2.

● (1750)

The Acting Speaker (Mr. Bélair): It is indeed a very long comment. You have been speaking for four minutes and it is much more debate than a comment or a question to the main speaker. If the hon. member for Dauphin—Swan River wants to answer please feel free to do so.

Mr. Inky Mark: Mr. Speaker, I appreciate the comments of my hon. member across the way. That is the reason we have committee hearings so we can go through the whole bill clause by clause and sort these things out.

At this point in time our role is representing respective parties to put forth our position, certainly our preliminary position, in terms of how we view the bill whether in a positive vein or a negative one. Obviously the Alliance is the party that perceived this whole process in a negative vein and I guess we will have to work it through in committee to show it that there is always room for improvement. I believe there always is room for improvement in all legislation at all stages.

Mr. Larry Bagnell: Mr. Speaker, I will continue with my comments on the other four points and I will try to make them more quickly. First, there were different rules by the six designated offices in Yukon. The umbrella board shows consistency in all those rules, but the rules made by the board shall prevail over the rules made by the designated office to the extent of any consistency. That is in clause 31(5).

He talked about the fact that there was no audit. There is an audit of the board as set out clause 28(3). The fifth was about business interests on the board and of course the government appoints those members. If the member is in government, hopefully he will keep in mind sustainable development and economic interests when he makes appointments to boards.

Finally, is the hope that Yukoners will have strong memberships on all bodies. The six designated offices are throughout Yukon. Travelling every week, I know that no one will commute to Yukon to be on these bodies. They will work there for those six bodies. For the umbrella board, it says right in the bill that the chair and the majority of members must be Yukoners. I think that deals with those concerns.

● (1755)

I want to make one final comment on the fact that the six different designated offices can do things locally. That is a very big strength in the bill. Perhaps the member's riding in Manitoba is different. However, in Yukon we are vastly different. It is not one set economy and conditions. There is the beautiful Kluane range with the biggest icefields anywhere in the world outside the polar caps. There is the placer mining near Dawson City and the great forest in the southeast Yukon.

Any process that can be flexible to help environmental review of these and maybe standard conditions for like operations that might be in that area will enhance and speed up the process and be more sensitive to local areas, just like the Alliance Party is sensitive to the provinces and wants them to have powers so local people can have input.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, it is a great pleasure to participate in this debate. I would like to start by complimenting and congratulating the member for Yukon and the member for Winnipeg Centre for their very exhaustive, comprehensive and thoughtful analyses of the bill.

I was particularly struck by the comment made by the member for Winnipeg Centre when said that this was the most culturally sensitive bill he had seen ever come into the House. Coming from an opposition party, this is quite a compliment being paid to the government and those who have helped in preparing the bill.

Also, the member for Winnipeg Centre referred to this bill as resulting from the most comprehensive consultations that have ever taken place. I would imagine that he speaks from experience and that his comments are very relevant.

Unfortunately, I cannot say very much about the intervention by the member for Portage—Lisgar who trotted a number of old chestnuts into the debate which were not really necessary in the context of Bill C-2. However, in explaining the reasons for his opposition to Bill C-2, he referred to the fact the bill would be a disincentive to potential developers. I do not see anything in the bill that can be interpreted as being a disincentive to a potential developer.

On the contrary, if one were to read, as several members have already done, the purpose and the aim of the bill as indicated on page 1 is "to establish a process for assessing the environmental and socio-economic effects of certain activities in the Yukon". If that is not adequate enough to give the member for Portage—Lisgar sufficient assurance, then he probably would find that assurance by reading clause 5 of the bill where the purposes of the proposed act are outlined. Clause 5(2) is extremely well worded. It states:

> (2) The purposes of this Act are
>
> (a) to provide a comprehensive, neutrally conducted assessment process...
>
> (b) to require that, before projects are undertaken, their environmental and socio-economic effects to be considered;

If I had any criticism for this particular clause, I would have it in paragraph 5(2)(e) where it seems to me that perhaps it could be phrased in a more positive way. It states:

> (e) to ensure that projects are undertaken in accordance with principles that foster beneficial socio-economic change without undermining the ecological and social systems on which communities and their residents, and societies in general, depend;

When the bill comes to committee, I would recommend an alternative wording by way of an amendment which would say, instead of "without undermining" which is a bit negative and detracts, the words "while enhancing the ecological and social systems on which communities and their residents". Enhancing is a positive approach and it fits much better into the general purpose of the bill as outlined by the short title.

However this is not the place perhaps to make suggestions for amendments to the bill and I am sure that the member for Yukon in his very committed way will look at every positive possibility to strengthen the bill.

I would only like to say that we have a Canadian Environment Assessment Act and the bill ought to be responsive and on the same wave length and have the same degree of application and strength as the Canadian Environmental Assessment Act.

● (1800)

Therefore, I would like to put on the record some questions, namely, how will the two laws, Bill C-2 when it is proclaimed, and the existing Canadian Environmental Assessment Act, plus the current Bill C-9, which is in the process of being referred to committee, integrate? How will they come together? Will they be implemented in the same way, as I hope they will? Are the two laws reinforcing each other? Are the interpretations of each of the definitions in clause 2 of the bill the same? In other words, are they going to be applied in the same manner?

For instance, will the words "significant impact" be interpreted in the same manner in both laws once they become operative? For instance, will "mitigative measures" have the same significance in both laws? Will the word "assessment" have the same definition? Will the word "environment" have the same definition? Will the word "project" also be defined in the same manner? I do find some comfort and assurance in clauses 63 and 64. At this stage one can only raise these as potential questions for examination in committee and leave it at that, because I am sure that after all these consultations the bill will be examined very thoroughly.

My task is coming to an end. I will conclude by quoting a letter I received from the Yukon Conservation Society today in which the text, signed by executive director Christine Cleghorn, reads as follows:

> Since the signing of the Umbrella Final Agreement (UFA) in 1993, the Yukon Conservation Society has participated in and followed with keen interest the development of new environmental assessment legislation for the Yukon.
>
> At the present time, [the Yukon Environmental and Socio-economic Assessment Act] is scheduled for review by the Standing Committee on Aboriginal Affairs and Northern Development...Despite having undergone a second round of public review this spring, the draft legislation remains a convoluted, labyrinthine document. For a jurisdiction with only 30,000 people and environmental assessment trends indicating that over 85% of projects assessed each year are small projects, it is our view that YESEAA is unnecessarily complex to the point of absurdity. It seems that during the negotiations the original vision in Chapter 12 was lost to trying to create a piece of legislation that is basically a super version of *The Canadian Environmental Assessment Act*.
>
> We believe it would be beneficial for YESEAA to be heard by both of the above-noted Standing Committees.

These are, namely, the aboriginal affairs committee and the environment committee. This is not possible unless the House leader approves of that approach and I do not know whether this would be very productive and very helpful.

To conclude—

● (1805)

The Acting Speaker (Mr. Bélair): The hon. member for Peterborough on a point of order.

Mr. Peter Adams: Mr. Speaker, my understanding is that the member is splitting his time with me and I think he has to say so before his time is up.

The Acting Speaker (Mr. Bélair): It definitely helps the Chair.

Hon. Charles Caccia: To conclude, Mr. Speaker, the Yukon Conservation Society writes:

> —we are most anxious to have YESEAA moved to both Standing Committees and look forward to receiving a favourable response—

It seems to me that by and large the society is supportive and that even if this process will not be as required or as suggested by the society it will be given very thorough consideration.

As my learned colleague from Peterborough has just mentioned, we are splitting our time.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I apologize to the member for Davenport. I knew there was a standing order to that effect. We all listened with great interest to what he had to say.

There are some comments I want to make with respect to Bill C-2, the Yukon environmental and socio-economic assessment act, which was so eloquently introduced by the member for Yukon. The reason I want to make these remarks includes the fact that I was very proud to be involved with the Yukon self-government legislation in the House some years ago. I was particularly upset when the speaker from the Canadian Alliance today digressed into the morals and attitudes of members of Parliament and the tone of the House of Commons, when in fact I believe that we are following through morally on the legislation that went through the House, as we are on the Yukon umbrella final agreement, chapter 12, which says that a regime of the type represented by Bill C-2 must and should be put into place. I am delighted we were able to do that and that the member for Yukon introduced it.

The remarks of the member for Davenport are very well taken. The member has raised this point as a question: that the legislation will effectively replace the Canadian Environmental Assessment Act and other assessment processes in the Yukon with an approach that is inclusive of other governments and decision making bodies and that ensures meaningful opportunities for public participation in assessments.

It is my understanding and I think the understanding of most members that this does not mean there is a lack of federal presence or a weakening of assessment standards. I think it means a move toward true sustainable development, integrating environmental, social and economic considerations when making decisions about projects. This is to the great benefit of future generations in the Yukon, and future generations in Canada. This is not something that has to do with just that one territory. The bill would move decision making closer to the people affected by the development projects. I agree with members here that it is a positive step.

However, the Government of Canada will continue to play a role in assessments involving federal departments, agencies, lands and regulations. Canada will be represented on the Yukon environmental and socio-economic assessment board, which has been mentioned and which will administer the assessment process in the Yukon.

As well, it should be made clear in regard to the process that would be put in place by Bill C-2, and the questions raised by the member for Davenport can be addressed again, that the legislation maintains the high standards Canadians have come to expect under the Canadian Environmental Assessment Act.

It is my understanding that the new process will include all the improvements now being made to the Canadian Environmental Assessment Act under Bill C-9, which is now before the committee of the member for Davenport, and I assume, by the way, that if committees ever get working in the House in this session the member will be the Chair of it.

Another benefit of the single process that would be established by Bill C-2 is that it goes beyond the traditional realm of environmental assessment to also take into account the social and economic impacts of a proposed budget. That is what I have said, by the way: It is a true interpretation of what sustainable development means. One cannot consider the environment out of the context of economic and social considerations of the people of the region concerned. Regardless of how small or large a project may be, assessors will be required to consider how it will affect people's quality of life, their livelihoods and the heritage and culture of Yukon first nations people, as well as, naturally, because it is an environmental thing, the impacts on land, water, air, fish and wildlife.

The single development assessment process provided for in Bill C-2 is a first for Canada. I am hopeful that one day it will serve as a model for other regions, which is why I said that today we are not simply considering something that is important for only the people of Yukon.

I trust, as has been the case with the previous three speakers, that the bill will have the support of all members of the House, including, eventually, the Canadian Alliance.

● (1810)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to the bill. I want to bring to the attention of the House a connection to this bill which deals with aboriginal people.

There is an absolute crisis taking place on the Pikangikum reserve north of Kenora, north of the minister's riding. This reserve has the highest suicide rate in the entire world. Alcohol and drug abuse are rampant. Organizations are dysfunctional. Ninety-five per cent of the homes do not have running water. There are no sewers; there are outhouses. The community is bereft of hope. I say that with a single purpose in mind.

To show how acute the crisis is among the Ojibway people, this year alone eight females, five of them just 13 years old, have killed themselves. The Pikangikum reserve, with roughly 2,000 people, has an eight year average of 213 suicides per 100,000 people, which is 36 times our national average. I raise this issue in connection with the bill to plead with the Minister of Indian Affairs to deal with the situation acutely, to implement some suicide prevention programs to help save the children in particular of the Pikangikum reserve north of Kenora.

Turning now to the bill, 32,000 people live in the Yukon, which has 4% of our land mass, of which 77% is wilderness. There are 61 mammal species and 278 bird species. There is an extraordinary array of environmental jewels and cultures that exist in the Yukon. The bill is certainly going in the right direction toward blending sustainable development with preserving that incredible gift we have as a country.

I would suggest to the hon. minister that it is possible to link sustainable development and environmental protection with the enhancement of the lives of the people there. I would suggest a model to the minister. Brazil and certain parts of southern Africa have linked them. They have basically said that wild spaces have to generate funds if they are going to survive. The funds generated are poured back into the wild spaces for their preservation. The opportunities are enormous.

What does the north in general have? There is the Alaska Highway pipeline for one and the Northwest Territories pipeline down to Alberta for gas. The north has diamonds, the new emerald find near the Finlayson Lake district, natural gas, iron ore, lead, zinc and copper. They will provide the basic fuel to generate long term sustainable employment in the Northwest Territories and an enrichment of the people's lives there.

That will only happen if some of those moneys are then poured back into environmental protection and environmental enhancement. If we manage to link up that development and also utilize those moneys not only for the welfare of the people but also pour some of it back into the environment, then the people of the Yukon and the people in the north in general will have sustainable development that is congruent with environmental protection.

Historically, they have done a very good job of preserving their environment by engaging in some innovative cleanups of toxic sites. Indeed, only the wood bison and the peregrine falcon are the two major mammal species that are in danger of extinction. That is not a bad track record. The peregrine falcon has dropped to a threatened species from one on the verge of extinction.

There are some significant challenges in the north. I hope the resources there can be used to drive some environmental protection issues, such as the issue of pollution.

In Siberia the Russians dumped a lot of nuclear materials right on the ground. Those radionuclides, those cancer causing, teratogenic, carcinogenic materials have gone into the food chain. If we look at aboriginal people and some of the large mammal species at the top of the food chain, we see extraordinarily high levels of the cancer causing and teratogenic materials within their body tissue. It is having a devastating effect, particularly on aboriginal communities in the north.

I encourage the government to work with other arctic nations to deal with this acute situation. If we do not deal with it now, those cancer-causing agents, those radioactive materials that are so prevalent in certain parts of the north, will continue to waft into our food chain with devastating effects on the people who live there.

● (1815)

The other issue we are dealing with is climate change. The natural resources of the north can be used to generate the resources needed to combat climate change. Is it Kyoto or bust? No, there is a third way.

Kyoto, as we know, is a shell game, moving emissions trading credits around the world. In fact our country will do absolutely nothing to reduce carbon dioxide emissions. That is the big flaw in Kyoto. How can we do that? One of the things people in the north and indeed all of us can do is use energy more responsibly, conserve energy better and use existing technologies to reduce our emissions quite significantly through cars, trucks and in heat loss through homes. The amount we conserve could go well beyond the 6% target we set for ourselves in Kyoto in relation to 1990 levels. Indeed, we could go beyond that, which would be useful for all of us.

This is important for the north because if we look at the last few years, in 1998 and 1999 Yukon had two of the four warmest temperatures ever recorded in history. The Beaufort Sea ice pack was 40% less than what has ever been seen. Is this proof of global warming? No, it is not. Is it an indication that there is a problem? Yes, it is, and if we want to use a precautionary principle, we must do whatever we can to use our energy resources more responsibly. In doing so we could go beyond the commitments we chose to make, without, incidentally, taking on the oil patch, reducing jobs or affecting our economy.

If we were to adopt the approach of using the technologies we have to reduce greenhouse gas emissions, we could find an actual added benefit to our economy in terms of a net increase to the GDP.

I would ask the minister to please look at the experience in Europe where they are well ahead of the curve on this. If we do not adopt the approach of using existing technologies to reduce pollutants and greenhouse gas emissions, two separate entities but connected by virtue of what produces them, we could be left behind the eight ball in terms of our own economic development. I would encourage the government to look at those issues.

My friend from Yukon brought to our attention a very interesting problem connected to this bill, the issue of medical manpower. Yukon has a problem with medical manpower, particularly the distribution in rural areas. We have had some very good discussions on this and there is a solution. What Yukon can do is connect with existing medical training facilities for doctors, nurses and technicians and have some of that training take place in Yukon. If it does that in conjunction with paying for a certain number of medical school nursing and technical-medical positions in return for an equal number of years of service in rural areas, Yukon will be able to get the medical manpower that it desperately needs. Indeed my friend from Yukon brought to our attention the terrible situation of a lot of people in Yukon being unable to get basic medical care as a result of this acute problem of a lack of manpower.

Bill C-2, through the generation of funds and sustainable development, could generate funds that would enable Yukon to pay for certain spots in medical training facilities and in return the quid pro quo would be that those individuals would have to spend an equal number of years in a rural setting under service settings such as Yukon. It does work. We need to catch people right out of school and get them into those rural centres where they can develop relationships and set down roots. There is a better chance of them staying in those rural areas than if we try to pick people out of urban settings after they have completed their training.

The next issue I would like to address is the issue of aboriginal communities. The question of how to engage aboriginal people in development was asked in Central America and Brazil.

● (1820)

It was found that if the aboriginal people were allowed to use some of the money from the natural resources, be it emeralds, diamonds or natural gas, and were able to pour it into primary health, education and skills training, they would be able to improve their health and welfare. This is very consistent with a document put out by a consortium of aboriginal groups. The document gave some very basic principles of what needed to be engaged in with the Yukon government if sustainable development were to work: the aboriginal peoples would be consulted; they would be participants in development and local governments would have municipal powers, which is what the Canadian Alliance has been fighting for and now the minister of aboriginal affairs has been communicating very well. If aboriginal people could have municipal powers, be engaged in the development process in a constructive way, be participants at the table and share in the resources in a meaningful way, then we would have sustainable development in the Yukon as well as improve the health and welfare of aboriginal communities in Yukon.

I hope the premier of Nunavut and his council will look at this as a model he could adopt for his communities in Nunavut. As members know, the rates of substance abuse, sexual abuse and suicide rates in Nunavut are off the wall. The feds are paying huge amounts of taxpayer money to sustain the situation in Nunavut right now. If Nunavut were to look at some of these models, which I hope will be applied in Yukon, then both Nunavut and Yukon would benefit.

Some people like to look at northern development in isolation but I would encourage them to look at northern development as part of Canadian development. If we were to track where the resources in the north were going, for example the pipelines, we would see that they do flow north to south. It behooves us as a country to have a greater north-south dialogue within our own country. I would suggest that has been lacking for a long time.

The engagement between the populated areas along our borders with the United States and the people in the north would go a long way to removing misconceptions and ensuring greater development and harmonization of economic and social activities between both the north and the south.

I want to emphasize again to the government that within the bill lies a great opportunity to engage in true sustainable economic development. However, in order to do that, the development of natural resources in the north, be it natural gas, diamonds, emeralds, tourism or hydro power, can and must be done in a way that ensures that the people of Yukon benefit economically from the development of those resources and that the development of those resources generates a pool of cash that can be used for environmental protection.

I think the public would be shocked to know about the absolute lack of resources that many of our conservation officers have. They struggle to find $100 to pay for a pair of binoculars when they are doing research in the field. With the lack of resources and the yeoman's job they perform, they deserve a medal. They are unable to do the job they are being asked to do which is to preserve and protect the environment in the north and protect the species that live there.

The bill is an interesting one and we look forward to it coming to committee. My party has put forth some constructive amendments. We certainly hope the government listens to them so that the bill will move forward in a constructive fashion that benefits all the people in Yukon and indeed Canada.

● (1825)

The Acting Speaker (Mr. Bélair): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Bélair): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Bélair): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Bélair): Call in the members.

And the bells rang:

At the request of the assistant government whip, the vote is deferred until tomorrow at 3 o'clock and the bells will not ring.

[*Translation*]

It being 6.30 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.28 p.m.)

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