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Monday, September 29, 2003

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, September 29, 2003

The House met at 11 a.m.

Prayers

● (1105)

[*English*]

BUSINESS OF THE HOUSE

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

> That this House call upon the government to hold a referendum within one year to determine whether Canadians wish to replace the current electoral system with a system of proportional representation and, if so, to appoint a commission to consult Canadians on the preferred model of proportional representation and the process of implementation, with an implementation date no later than July 1, 2006.

[*Translation*]

The motion, in the name of the member for Regina—Qu'Appelle, is votable. Copies of the motion are available at the table.

PRIVATE MEMBERS' BUSINESS

[*English*]

USER FEES ACT

The House resumed from September 18, 2003 consideration of the motion that Bill C-212, an act respecting user fees, be read the third time and passed.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, I thank the hon. members on my own side for the warm applause. Obviously people are in a good mood this morning.

It is my pleasure to rise to address Bill C-212, an act respecting user fees. I have to say that this subject is of interest to me. In the past I have brought forward my own private member's bill on user fees in an attempt to ensure that there is some accountability when it comes to establishing user fees as well as accountability when it comes to ensuring that the services provided as a result of user fees are actually providing the public with value for money.

I want to say at the outset that this is an important issue. It is an issue that has been raised by the Auditor General in the past. The Auditor General has suggested that there needs to be more accountability and transparency when it comes to user fees. We completely support that idea.

It is also my pleasure to speak in favour of Bill C-212. My Liberal colleague across the way has done a lot of work on this. That is good. It is an important issue.

A few years ago there was actually a coalition of business groups that got together and demonstrated real concern about it. They felt that the government was not ensuring that people were getting value for money when it came to the services that were provided. As a result of the submission on user fees, typically from businesses, for different services, some changes have been made. The government has tried to react. The President of the Treasury Board has brought down some changes, but as the member for Etobicoke North points out, it really is not enough. The government has not gone far enough. I agree with him completely.

I want to talk about some of the specific things he is proposing in his bill. I will not speak for my party because it is private members' business, but I do think a large majority of people in my party would support some of these measures.

First of all he is calling for notification. In other words, if there is to be a change to a fee, it only makes sense that the people and businesses that will be affected should be notified. In some cases it is critical to a business that the service it purchases from government be provided. In some cases businesses pay a tremendous amount of money to get those services through user fees, so they want to be notified ahead of time if there is to be a change to a user fee. Obviously that is just common sense. It is safe to say that members of the Alliance, if I could speak broadly, would be very supportive of that and I certainly am.

A second point related to this is that there should be input on improving services. This is so important.

Let me give the House an example of a service for which there is a user fee where the public has had really no input at all, and that is on passports. Almost everybody at one time or another has owned a passport. Certainly now in this day and age when there are tighter security controls everywhere, whether it is at airports or crossing the border into the United States or into another country, we almost need a passport. The fees for passports are pretty rich, but on the other hand, the service providing them has become slower. I think people have cause to question whether or not that is appropriate.

It makes sense to me that there would be some input when it comes to determining what is a reasonable amount of time people should have to wait for a passport, given the fact that it costs $65, I think, to get a passport. I am not certain why it costs $65. It seems like a lot of money to me, but there does not seem to be any relationship between what a service costs and what the user fee is and how good the service is. In this case with passports we know that the government was not even meeting its own standards in terms of providing passports and turning them around as quickly as it should.

I remember that there were a number of questions asked of the foreign affairs minister last spring when people were making requests for passports and sending along their money only to find out it was taking a lot longer than they had bargained for and that the government had promised. There needs to be some input on improving services.

● (1110)

Another recommendation in this private member's bill is impact assessment. That makes sense to me. If the government is going to raise a user fee, pretty obviously it is important that the government determine how it will impact businesses, typically it is businesses, that are using that service. If it has a dramatic impact and if it makes those businesses uncompetitive with other jurisdictions around the world, the government should take that into account. Because the role of government of course is not to make the job of businesses harder, but it is in fact to facilitate and to make it easier for them to compete. This is a very common sense proposal contained in this private member's bill, Bill C-212, and I could be very supportive of that.

The bill also calls on the government to explain how a fee is determined. I touched on that a minute ago. Why does it cost $65 for a passport? A passport is a secure document and the government has gone to some length to ensure that it cannot be easily replicated so people cannot use fraudulent passports. It is not clear to me that it actually costs the government $65 to produce it and to process the paperwork when someone requests a passport. The fact is, we do not really know how much it costs because we do not have any information with regard to this. So it makes sense that there be an accounting, that the government must provide some kind of accounting to show that it costs that much money and that government therefore can justify charging that much money. Under the system as it is now, there is absolutely no transparency. We need to know how those fees are determined.

The bill put forward by the member for Etobicoke North suggests that there should be a dispute settlement mechanism. What he means by this is that if there is a dispute between people who use a government service, and pay fees for that service, and the government, in terms of how much it should charge for that service, there should be a way to settle that through an independent third party. That is important, because if there is no independent third party, pretty obviously the government, which gets to make the final call on this, may say, “It's my way or the highway”. It will just go ahead and charge that fee. The government may be doing it for reasons that have nothing to do with only recovering its costs; it may be doing that because it wants to make a profit.

We must remember that user fees bring in more than $3 billion a year to the government. They are a big source of revenue. If the government is using user fees not just to recover costs but to make a profit to be put into general revenues, that is not appropriate. That is not what user fees are for. User fees are there to cover the costs of government in providing a particular service.

Therefore, we very much support the idea of an independent third party who could settle disputes between government and those who are recipients of services purchased through user fees.

Finally, it makes sense that these fees should be comparable to those of other jurisdictions. Canada is in global competition. If services are provided for a company that is in the shipping industry, for example, and the fees are much higher here than for a shipping industry in another country, then perhaps that industry will ship to that other country so it can take advantage of the lower user fees. That should also be taken into account. We have no assurance that this is happening today. In fact, to the contrary, all we have is the government saying it is our way or the highway. We support that aspect of Bill C-212.

We support Bill C-212 in general, if I may speak for my colleagues. I have no authority to do that, by the way, as it is private member's business, but I certainly will recommend to my colleagues that we support Bill C-212. I congratulate my friend from Etobicoke North for bringing this forward.

● (1115)

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, it is a pleasure for me to stand and speak in favour of Bill C-212 in the name of the member for Etobicoke North. Not only has he brought forward this bill, I had a similar bill on the Order Paper and I have removed my bill in favour of his, so it is difficult for me to speak with anything but favour for this particular piece of legislation.

I should correct one thing. The member for Medicine Hat continually said that the cost of a passport was $65. I will clarify that. In fact, let me say for all those people listening, if there are any, that the cost is $85. The fee was increased not that long ago. If the member for Medicine Hat feels that in Alberta the fee is still only $65, he is mistaken. The fee is $85 and it is the same across the country. I ask that my office not be inundated with calls telling me that the people we have been helping with passports over the past numbers of months have been charged the wrong fee. They have not been. It is $85. However, that is the issue here: fee for service.

Conceptually, the idea of a fee for a service is not something that we could not accept. We do it all the time. We have a fee for service when we ride a bus. We have a fee for service when we go to a swimming pool. We have a fee for service when we are provided with any number of services, whether they be municipal, provincial or federal. Conceptually or philosophically, it is not such a bad thing to have a fee for service.

Those people who are in fact taking the service should in fact be the ones responsible for paying a portion of that fee. A passport is a perfect example. If you or I as an individual wish to apply for and receive a passport, which by the way is one of the finest documents that we as Canadians can ever own, then we should be responsible for some of the cost. But this is where the issue comes to a grinding halt. Just what is a fair cost? What is a fair fee for service? What value are we as Canadians receiving for that fee for service, for that cost recovery?

Conceptually what it was is that departments were supposed to recover some of their costs. There is a budget in a department. A department provides these services and attempts to recover some of the costs it has to pay out in staff time, office time and other operating costs. That in itself is fair.

But what is not fair is not being able to tell the people who are paying the fees for those services what they are getting for that service and what portion of cost recovery is acceptable to the department. That is where this whole thing falls off the rails and that is why Bill C-212 is so vital and absolutely important in trying to bring it back on the rails.

There is an advantage there, but there is also a huge disadvantage. I will give members a couple of examples. One that is dear and close to my heart, and why I was putting my bill forward as well, is a operational department within PMRA. It said that it had to recover a certain proportionate part of its costs to operate this department. Those costs to the users have been increasing quite dramatically over the past number of years.

Those users are saying that this is impacting them. It is impacting them now in trying to get a registration from what is now called the Pest Management Regulatory Agency. It has been costing them a huge amount of money to get a registration for a product in this country, to the point where a lot of the producers of those products are backing off and saying it is now not economically feasible for them to go through all the regulatory process and pay all of the exorbitant fees for a very small part of the market. They are backing away, and my constituents, and in particular my farmers, do not have the advantage of these types of pest controls they need in order to continue in their agricultural pursuits.

There are other examples. Certainly with export licences, in agriculture particularly, it is now simply a matter of a piece of paper. There is not even much of an inspection that goes on when a person exports potatoes from Prince Edward Island, for example, into the United States. It is now simply a matter of a piece of paper that costs an extreme amount of money, with no inspection. Effectively it is simply a matter of a tax grab; it is trying to find more dollars to pump into the department. That has to stop.

What has to happen is identified in Bill C-212 by the member for Etobicoke North and it is pretty sound. As a party, we will be supporting it. It says, “Let us do a cost benefit analysis. Let us find out exactly what services are being provided for these costs”. It is quite simple. I agree with that and I think the department should agree with it. If we are providing the service to a group of individuals, then tell us exactly what services they are getting for that cost.

● (1120)

Let us also look at the overall cost recovery budgets of the departments to find out if it is simply a matter of grabbing taxes to pay for their operations without being more efficient in their operations. That is important too. We cannot have inefficiency running amok, which we see happening on occasion, in fact for most of the time in the departments on that side of the House. What we have to do is get more efficiencies built into our organization so we do not have to recover as many costs in the first place and that those licensing fees can be reduced accordingly. That is very important.

The best part of the bill and the worst part in reality is that if I am a user and I have to pay a fee that I object to I have to go to those same people who levied the fee. They may say that I am right, that it is inefficient, it is charging too much and that it will reduce the fee, but that does not happen. In reality those departments do not like to admit their mistakes.

However now Treasury Board is saying that we need an appeal but we need it to go to the same people who levied the fees. That is ridiculous. The bill is saying that we should have an independent adjudicator to whom we can go and, even if I do not win my argument, at least there is a perception that I am listened to, that someone will take this seriously and listen to my arguments so that maybe the fees can be reduced accordingly. That is embraced in the bill. I appreciate that and I think the bill should go forward.

I believe Treasury Board is moving to bring forward another policy statement. Let us not get caught up on this. Let us go forward with this private member's bill. Let us put it on the table and make sure the government has to deal with it because, quite frankly, the new policy that is being brought forward is no better than the old policy.

The member for Etobicoke North as well as others on this side of the House have caused a little bit of concern and consternation in the departments. Individuals are saying that there are some fires so they may as well put them out and bring forward their own policy. However that policy is no better than what is in place at the present time.

Let us not use that idea from the Liberal side of the House to say that they are already working on that so we can just forget about this private member's bill and let the departments come forward. Let us not fall into that trap. Let us make sure the legislation goes forward because it is sound. In my opinion it has better proposals than were brought forward by the departments themselves. Let us not make the mistake that simply because there are people looking at it from the department side it will fix itself. It does not fix itself.

The problem with user fees, as I said conceptually, is sound as long as there are two things: first, a cost benefit analysis for the service being provided; and second, we recognize that there is a certain percentage of the cost recovery based on efficiencies of the departments themselves.

The third issue has to do with the economic competitiveness that we have in the country now. We need to ensure we have the ability to compete in the global market and in order to do that we need to ensure we can control our business costs. This is an uncontrollable cost. This cost is currently workable but not acceptable. However that is not to say that the departments cannot at some point in time arbitrarily increase those costs without anybody having an influence as to why and how.

The question of the passport is a prime example. We do probably 250 passports a month out of my office. Arbitrarily the department made a decision one week to raise those fees from $65 to $85. We were not even notified of those increases until after the fact. When my constituents come to me for a service and I do not even have the right number or any argument as to why that number was raised, to me that is a ridiculous opportunity from a department itself.

I appreciate the bill coming forward from the member for Etobicoke North. It is a similar bill to one I had tabled originally with respect to cost recovery and licensing fees. I would suggest that on Wednesday everybody, not only this side of the House but on that side of the House, should hold the feet to the fire of the departments that arbitrarily increased those fees to an exorbitant amount.

● (1125)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to rise today in support of the bill. I believe it would create more transparency, which is greatly needed in Canadian society right now, for governing fees at all levels of government, be it municipal, provincial or federal. As well, it would provide an opportunity for the public and businesses to have greater scrutiny of the actual fees they pay and the services they receive.

I want to touch a little on my past experience as a municipal councillor because I believe the bill is a very important part of what already happens in some other parts of democracy and is a good example of what the public expects.

A municipal government often has fees for services that cost, not only the general public but businesses. It could be for building permits, for any types of administrative capacity required through a parks department, a public works department, or any of those things. What ends up happening is that those fees are scrutinized every year in a budget.

As part of the budget process the public is invited to come forward as delegations to look at the costs, to see how much the municipality is providing in terms of a service, the cost they will incur as an organization and a bureaucracy, and the value at the end of the day that the residents, the businesses or a community organization will receive for a permit, a fee, or whatever it might be.

That allows everyone the opportunity to be heard. They can come forth at committee levels for the city council, depending upon how they create their own bodies for recommendations to go to the greater body, or it can be actually at a budget hearing process. That also provides that notification that goes out to the public. By mandate of the municipal act they have to advertise their council agendas. It provides that opportunity to be upfront with the different groups and organizations.

I believe what is important about this private member's bill is that it would create that committee atmosphere, which I think would be appropriate, and it would provide that scrutiny.

Nobody has difficulty paying for a service as long as it is fair and just but at the same time it has to be one that provides input. One of the things I have often heard as a criticism of any level of government, including the federal one, is the fact that they feel no empowerment, that they do not have the opportunity to have input and that those fees are just imposed upon them and they can do little or nothing about it. One of the things that would be improved is that we would have a due process to ensure that there would at least be that give and take available.

It also allows the opportunity for the general public to evaluate where their politicians stand on different issues. I know that from the local level, for example our building fees, when there are permits and all those different things that go up in price and cost, if they are subsidized by the general taxpayers they will know how politicians stand on that issue, whether they are actually fair and just, and whether or not the politicians are actually using it as an economic generator. They get a chance to see those types of things which is really important because it creates a democratic debate about where money should come from and how it should be disposed of.

One of the things that has been frustrating as a local councillor, and we have seen this quite efficiently laid upon us by the provincial and the federal governments over the last 10 years, has been the downloading that has happened. The downloading, the cuts in services and grants without having the revenue sources to make up those things, has led to increases on the municipal broad spectrum at an exponential rate. That has been very frustrating. The bill would provide that venue, that opportunity for those things to be publicly vetted.

I want to read the summary of the bill here. It is important to touch upon this for those who did not hear it:

> This enactment provides for parliamentary scrutiny and approval of user fees set by regulatory authorities. It also provides for greater transparency in the cost recovery and fee setting activities of those authorities, by requiring them to engage in a participatory consultation with clients and other service users before introducing or amending those fees.

That is the heart of it and that is what I have been talking about. It is above partisan politics. It is about making decisions on where the money and resources should go. People are asking for transparency. If they have to pay a certain percentage of tax people want to know whether it is going to health, to public services or to infrastructure.

We have heard that a lot on issues, for example like the GST which originally was supposed to slay the deficit. Other times we have heard it from people talking about the gasoline tax, that it should go back to hard infrastructure, into roads and improvements, all those different things.

● (1130)

I will wrap up my commentary by once again congratulating the member for Etobicoke North for putting forth this process which I think will instil public confidence and, more important, at least provide a venue. Sometimes people are very critical about the fact that they speak the words but sometimes no one is listening. At least the bill would provide that opportunity and it is a step in the right direction.

If the people who are making the decisions have closed ears then obviously nothing gets done. However if there is no arrogance and there is that opportunity for due diligence for vested interest groups or citizens then we will certainly see confidence restored and more transparency, which I think is very much needed by the Canadian public.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I would like to thank all those who participated in the debate on Bill C-212, an act respecting user fees. The debate on this topic has been very thoughtful and productive.

[*Translation*]

I would also like to thank the members of the Standing Committee on Finance for the work they did in relation to the bill, and all the witnesses who appeared before the committee to speak to the User Fees Act. Furthermore, I also want to thank the clerk of the Standing Committee on Finance.

[*English*]

Later this week when we vote at third reading of the bill, if we do not vote on it here today, members of the House will have a very clear choice: continue to deal with user fees through government policies, albeit an enhanced policy environment because of recently announced user fee changes by the government, or embrace the legislative approach proposed by Bill C-212.

I submit to colleagues that Bill C-212 is the preferred route for the following three reasons. First, federal government user fees, which currently generate about $4 billion in revenue annually, while not taxes are akin to taxes and need the scrutiny of Parliament.

Second, these same user fees are priced by monopolies, by officials in departments and agencies with limited input from elected representatives.

Third, the policy approach to user fees has not worked in the past and is not working now. There is little likelihood that this approach will produce the needed results in the future.

Some members have said that users are generally satisfied with the government's cost recovery user fee policy. This is not consistent with the facts before us. The vast majority of users are not happy, nor do they have confidence that the government's new policy will make any real difference.

Bill C-212 builds in consequences should departments or agencies fail to meet their performance targets by more than 10%. In jurisdictions, like the United States and Australia, where user fees and performance are linked, service standards are met close to 100% of the time. The same will occur here in Canada if Bill C-212 is adopted. The end result will be a more innovative and competitive economy and better service to Canadians.

[*Translation*]

The House of Commons Standing Committee on Finance unanimously approved Bill C-212. Over the years, it has reviewed the public policy on user fees and cost recovery a number of times. Members of the committee know the issue very well. Their work should be of great interest to my colleagues.

[*English*]

To enhance the bill I introduced a number of amendments at committee in response to feedback and comments. Some of these changes were more minor in nature but others were more significant. Allow me to comment on the latter.

Some individuals were concerned that Bill C-212 as it was originally written would compromise the ability of the executive branch of government to implement policies because the House of Commons had a veto power over any new user fees or any increase in user fees.

The amended Bill C-212 removes the veto power of the House of Commons but replaces it with a recommending authority. In lieu of this, penalties for non-compliance by departments and agencies for the failure to meet stated performance standards, as I described earlier, have been written into the bill.

Some were concerned that committees of the House of Commons would be inundated with user fee requests. Although a variety of evidence presented at the finance committee hearings seemed to refute this, an amendment was passed at committee stating that if a standing committee of the House of Commons does not report back to the House within 40 sitting days of receiving such a user fee proposal, the committee will be deemed to have approved the proposal. This provides the committees with the latitude they need to manage their workload and priorities.

There were other amendments which were adopted by the House of Commons finance committee and Bill C-212 is a better bill as a result of those changes.

The government, as I said, has introduced a new policy. It comes a long way and I thank the President of the Treasury Board for that. However in my judgment the revised policy falls well short in the following key areas. First, the new policy still lacks real teeth to deal with departments and agencies that fail to meet stated performance standards. With Bill C-212 there are real consequences if standards are not met.

Second, while the new policy improves the process for resolving disputes between users and federal government departments and agencies, this process is still an internal one; whereas Bill C-212 calls for an independent dispute resolution mechanism.

Third, Bill C-212 explicitly states that user fees are appropriate when private benefits are conferred; otherwise they are clearly taxes. The government policy is somewhat silent still on this point.

● (1135)

[*Translation*]

There are other differences between Bill C-212 and the new public policy. However, the ones I have underscored are the main ones.

[*English*]

Again, the choice is a clear one. I urge my colleagues to vote for Bill C-212 and support accountability, transparency and the legitimate role of members of Parliament.

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.

The Acting Speaker (Mr. Bélair): I declare the motion carried.

(Motion agreed to, bill read the third time and passed)

[*Translation*]

SUSPENSION OF SITTING

The Acting Speaker (Mr. Bélair): Since we have concluded consideration of private members' business, the sitting is suspended until 12:05 p.m.

(The sitting of the House was suspended at 11:38 a.m.)

SITTING RESUMED

The House resumed at 12:05 p.m.

GOVERNMENT ORDERS

● (1200)

[*English*]

PUBLIC SAFETY ACT, 2002

The House resumed from May 27 consideration of the motion that Bill C-17, an act to amend certain Acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety, be read the third time and passed.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I want to say a few words on the bill because I am not sure what else I can say. This will be the sixth time the bill has been resurrected.

A little over two years ago, we were in Edmonton attending a caucus meeting when our day, and everyone else's day in our country and probably around the world, was shattered when we saw a plane crash into one of the towers in New York City. While we were watching it and thinking that perhaps it was someone learning how to fly who had lost control, boom, a second one appeared in the picture and we saw a second tower being hit. That day changed the world in many ways and it has not been the same world since.

We often talk about the loss of innocence. Innocence was lost for a lot of us because prior to September 11, 2001, we lived in a different world, certainly when it came to worrying about ourselves in relation to safety and security. We knew there was always a crackpot around. Anything could happen anywhere at anytime, but with the security forces we had the likelihood of it happening were slim to none. We came to work each day not worrying about who was on the bus, who was walking behind us, what was in the knapsack, and who was in the gallery. We just took it for granted.

September 11, 2001, changed it all. All we have to do is come up to the Hill to see an entirely different setting. We see fences, security and screening. When we go to an airport, we see tight security which was not there before. Should it have been there before? Well, maybe to some degree. However, we should not overreact. Really, no one saw the need for it.

September 11 came along and changed the world. A lot of people reacted. Some people overreacted, and certainly, in the sense of the word, that is exactly what happened with our own government. It was completely caught, utterly unprepared, and probably not having the personnel to deal with such an issue in an expeditious, responsible and carefully planned way.

We saw the government react quickly. It said it would bring in legislation which would make us a more secure country. Over two years later we are looking at a piece of legislation that has bounced around all over the place. This spring the government closed the House early when there were lots of things on the agenda. If this were a fine piece of legislation that had to be implemented to ensure that our country was secure, then we should have dealt with it two years ago.

The length of time it has taken, the consequences that have ensued, and the changes that have occurred since put into question whether or not we should even be debating this specific piece of legislation.

Do we need to beef up security in our country? The answer is yes. Is our country secure? The answer is no. However, many of the things that could be done to make our country secure are not dependent on this legislation at all. Security could be done by strengthening a number of the mechanisms which we did, and presently do control.

● (1205)

When the legislation was introduced originally, it sent up a red flag. A lot of people said that what this would do is create a mechanism to give government complete control so that the minister could successfully suspend the rights and freedoms of individuals living in this country perhaps without any reason except his own, which he would not have to divulge.

That is a serious thing in a country like ours, where we so strongly defend the rights and freedoms that we have. We pride ourselves in the type of country in which we live because we have these rights and freedoms.

Should rights and freedoms ever be suspended? Yes, undoubtedly, most of us would say there are times for the good of all of us that these things could occur, provided the reason be serious and the mechanism introduced in such a measure be valid, solid and acceptable. That is not what we see in light of the legislation that is before us.

This legislation has been watered down because as time elapsed, changes occurred and some of the things that were suggested originally are no longer relevant. New incidents occurred around the world that created different issues and different responses.

One of the things mentioned in the legislation is the introduction of protected zones. It is great to talk about protected zones. We would pick areas, key harbours and airports, and ensure that we would create the type of defence mechanism that would ensure that no one could penetrate these zones. This would guarantee our safety.

We would ensure that there would not be any smuggling taking place through the harbours of Halifax or Vancouver or maybe even St. John's—however, St. John's is not mentioned. That is easy enough to say. So we bring in our legislation and we tell everybody about the great mechanisms that we would put in place to ensure no terrorists would come ashore in these areas.

Terrorists are not fools. They know where, when and how they can enter a country. We have in our own country, as admitted to by the Ministers of Fisheries and Oceans and National Defence, all kinds of gaping loopholes. We have had immigrants come to our country, land in secluded areas, and nobody would have known they were there except that somebody has accidentally run across them.

In my own riding, in the farthest eastern point in the country, a few years ago a ship just dropped into the ocean a couple or three lifeboats containing a number of Tamils. Local fishermen fishing in the dense fog accidentally ran across them, took them aboard and brought them to shore. This area is the foggiest part of North America.

It was amazing that these people were located by fishermen. If they had not been found and had continued to drift to sea, all of them would have ended up certainly being lost. It was more luck than design that they were found. Undoubtedly, the ship which dropped them off saw fishing boats in the area on the radar and took a chance on the boats finding these people, and they did.

As I say, the skipper is a good friend of mine. As he tells the story, he was sailing along and suddenly saw these little heads appear in the fog. Because the fog was low, the only thing he could see above it were the heads of a few individuals standing in the boat. Then he found the other boats involved and brought them to shore.

● (1210)

Why were they dropped there? Because they knew there was no Coast Guard around. They knew there was no radar surveillance to pick them up. We hear about boatloads of immigrants landing on the other coast in British Columbia. Are they spotted? Not until after the fact. Why? Because they land outside the areas where there is radar surveillance.

When I raised that issue with the minister, he said that they had corrected it. He said the one problem that they had was when boats approached our shore, they were always required to give us 24 hour notice so they then could track them to see where they would go, watch their progress, ensure collisions were avoided, et cetera. That has been changed. Now they have to let them know 96 hours beforehand so it gives them much more time to watch and plan.

This is very good for solid oceangoing traffic when people follow the rules and report as requested. Does anyone think for one minute it makes any difference when a ship is smuggling drugs or individuals into our country, if it calls either 24 or 96 hours beforehand? Of course not. They will sneak in to ensure they avoid radar coverage. If we know where the gaps are, surely they know. It is amazing and certainly not coincidental to see the boats land just a few miles outside the radar coverage in the respective areas.

These people are professionals. They know what to do and how to do it. How can we ensure they do not do it? One way is by greater radar coverage. Another way is to build up and strengthen our Coast Guard. I admire tremendously the work the people of the Coast Guard do with what they have. Their hands are tied. They tell us that security is not their job, however, the very words coast guard basically gives them some assurance that these people are guarding our coasts.

I know their duties are refined, defined and specific. However, we should ensure that the Coast Guard plays an extremely important role in guarding our coasts so that the traffic which frequents our coasts is not polluting our coasts and that oil tankers which travel our waters are solid and will not break up in the smallest storm causing major damage to our coastlines.

They also have to ensure that vessels which should not be in our waters are checked and the issue dealt with in relation to why they are here. If a ship does not have enough fuel to go from one harbour to another or if boats are tied up in port because government does not provide the funding to do the job and people are overfishing on one side or trying to land drugs or immigrants on another, then we have a major problem.

The government for 10 years now has been procrastinating over providing helicopters to our forces, helicopters that would play a major role in the security of this country. We have wasted three times the amount of money that the original helicopters would have cost if the government had accepted the deal instead of cancelling it back in 1993.

Our forces throughout are underfunded and mismanaged. We have major concerns with general security. Is it the fault of the people who work in that field? Is it the fault of the Coast Guard people who go to work every morning? Is it the fault of people who are in our forces? Absolutely not. It is the fault of the government which has totally and utterly neglected the forces and the security generally in Canada.

● (1215)

What we see now is reaction and panic. Instead of the government bringing the bill forward for further debate, it should perhaps scrap it completely, take it off the table, go back to the drawing board, look at the specific needs required to provide proper security in Canada and then put the money where its mouth is.

We are just regurgitating what has been said before, not only by us, but by all parties on this side and many members on the other side of the House. It is about time the government started to do things. Maybe when the new prime minister, whomever he or she might be, is in place we might see something. However that is not a reasonable expectation. The problems I raised such as lack of funding for our forces, cutbacks to fisheries, the Coast Guard trying to operate with practically no budget, show a complete and utter lack of planning. They all depend on funding.

Funding comes through the Department of Finance. The person who passes out the money, the person really responsible for such decisions is the Minister of Finance. The person most people think will be the next prime minister is the individual who for most of the past 10 years was the minister of finance. However it will not be the people who will pick him. He will automatically assume that job because he will win the leadership role in the party. The election might prove something else.

Maybe we should be asking who is responsible? Instead of people expecting so many things to change, they might say that this is not a new entity, that this is a person who has a record and that record should be reviewed. If we want to know what a person is like or what a person can do, we just have to look at what the individual has done. We should not listen to what the person tells us he or she will do.

In campaigning I prefer to tell people to look at what I have done and not listen to what I say I will do. All politicians make great promises. The individual should be judged on his or her record. In this case, as in many other cases, I believe the record of the minister of finance will probably paint an entirely different picture from the one being painted by his spin doctors.

Hopefully the government will do the right thing and bring in legislation with the money involved, legislation that will not take away the rights and freedoms of people, but will ensure that they live in a country where they have rights and freedoms and that they are also properly protected.

● (1220)

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I would like to congratulate my colleague from St. John's West for his excellent comments.

As he was reminding us, the bill before us is in response to the events of September 11, which were quite a wake up call for our societies. He has referred among other things to the Coast Guard, and I would like him to talk to us more about that.

Since 1993, substantial cuts have been made in these organizations, which are responsible for our security, whether in the lighthouses, in the entrance of the St. Lawrence River, in the Maritimes or in the western part of the country. We have realized that because of all the cuts made since 1993, the Coast Guard has become obsolete, in my opinion, and unable to perform its duties. All these organizations have been abandoned.

The events of September 11 made us realize that, in fact, the reason the government was unable to fulfill its obligations was because of the cuts made by the former finance minister. The cuts were so drastic that it had become impossible for these organizations to provide proper security to Canadians and Quebecers.

I would like the hon. member to tell us more about the Coast Guard. I would like him to give us more details about what is happening inside that organization and about its past and even present inability to fulfill all of its mandate.

[*English*]

Mr. Loyola Hearn: Mr. Speaker, I would like to thank my hon. friend from the Bloc. He is a gentleman who has always expressed a very keen interest in the Coast Guard.

Let me repeat what I said earlier. I have the greatest respect and appreciation for people in the Coast Guard and in the Department of Fisheries and Oceans, under which the Coast Guard comes, and for their hard work and dedication. They must experience frustration with the countless cutbacks they face.

To answer my friend's question specifically, we have been told by people in the Coast Guard that their budget has not been cut. We would respond that it must be because the skippers have been told to slow down their boats at sea. Imagine telling the skipper how to run a ship at sea. The skippers are being told to only go when they have to go because fuel has to be conserved. I have seen a picture of five Coast Guard boats tied up one next to the other in St. John's harbour, yet so much work has to be done.

However it is probably true that budget has not been cut. In fact some people will say they are getting just as much money today as they did in 1993. People then say, "What can be said about that?"

People are not thinking. Does a dollar today buy what it did in 1993? The answer is certainly not. We might have the same number of dollars but we cannot get as much out of these dollars. Consequently, severe cuts have to be made. That is exactly what is happening.

Our Coast Guard properly managed and enhanced can provide a tremendous amount of security. It can also control many of the overfishing issues. The Coast Guard can be more vigilant in relation to pollution in our oceans. It can be more vigilant in relation to the type of tankers and their conditions, et cetera which ply our coasts. There are so many crucial issues for the Coast Guard.

We are one storm, one breakdown away from disaster on many occasions. The one entity that could prevent serious danger, whether it be a loss because of storm, or small boats that are pushed farther and farther out to sea because of the changing fishery or an oil tanker going ashore, is a well-maintained Coast Guard.

In Norway the coast guard comes under the department of defence. Norway takes its coast guard work very seriously. We asked representatives of Norway if they had have enough money to operate the coast guard? They said that it was well-funded and could do what was needed, and that is to protect the Norwegian coastline and the people.

Our Coast Guard can do that also if it is given the tools to do it.

● (1225)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is my pleasure to join in today's debate regarding Bill C-17. I want to point out that it basically is a reincarnation in many respects of Bill C-42 and Bill C-55, which brings me to my starting comments.

We all know what has happened since September 11. It changed not only the way we do things in terms of our day to day duties, but it also changed the long term, pragmatic policy decisions that impact not only on our country but on the world. At the time that the tragedy happened, it became clear to our community that we had a number of different deficiencies in terms of the services that were available to the local government. Provincial and federal government services had been cut back year after year. I am join those individuals who are raising the fact that Bill C-17 does not address some of the underfunding that has happened to our core services which has allowed some of the clear problems that we have today and which has opened them up in terms of vulnerabilities.

In our municipality in Windsor, what ended up happening is the local government had to take the lead once again. We have one of the busiest border crossings in the world. Actually 33% of the gross domestic product of Canada crosses at that border crossing to trade with 39 American states with which Canada is the number one trading partner. It was the local people who actually had to take the initiative and were called upon by the federal government to provide assistance.

As one classic example, our waterway along the Detroit River and our Great Lakes at both ends did not have the adequate resources. The municipal police force was called upon to use its boat as part of the actual policing of the area for other problems. That quite frankly is a sad statement because we have a municipal boat that basically is dedicated for policing water safety and has no capability to deal with transit ships that go through the actual system. This is one of the busiest waterways in the world between the pleasure craft and freighters that go through there. We were left with having to come up with some contribution to police the freighters with which there was concern at the time.

Bill C-17 is one of those things that is the thin edge of the wedge. We are looking at the issue of civil liberties and what information is being disclosed and monitored and at the same time shared openly with government bureaucracy in order to to track movements. That becomes problematic.

In my opinion, a good example of the government not acting responsibly is the tiering of our citizens by the United States. These are Canadians who have been here as a citizen for a year, 10 years, 20 years, 30 years. They are now required to be fingerprinted and photographed and they have to check in and out of the United States just because of the country they come from. There are more than a dozen countries.

A good example is Lebanese Canadians. They are subjected to this and our government has not done enough to speak out about this. It has not said that our citizens are not a security risk. That is a big issue because it involves our trade. It involves the way that we communicate. It also sends a message about standing up for our own citizens, something that this government has not done. We still have not dealt with it. That has significant implications because if we are talking about Bill C-17 having the actual impact that it is going to and if our country does not stand up for its own citizens, it will not make any difference. That is important to note.

The lack of infrastructure funding is really evident. I can provide a classic example. Between our municipality and Detroit there is a train tunnel. People are using that train tunnel right now at their own risk. Some people are coming from the United States and some are leaving Canada. They are trying to cross the border undetected. They are doing that at a high degree of risk. Often there is not enough room in the train corridor in the tunnel itself and people actually die while attempting to cross the border. What is unacceptable is that the local municipality ends up having to police this area. It is a private asset that has some security measures but not nearly enough. People are actually using this as a route.

Once again, it does not matter what type of policies are put in place. If we do not have the basic services available in order to respond, they are not going to be there. That is a big problem for us.

● (1230)

We believe that Bill C-17 could actually dilute more parts of the government that have not had the adequate resources. It also goes once again to the philosophy on how the government responds. I use the example of the NSEERS program, the entry-exist registration system, and the tiering of Canadian citizenship, but it is also the way the government handles sovereignty issues. Over the summer there were two situations that gave me great concern due to the Minister of National Revenue and the Minister of Foreign Affairs not responding adequately enough.

In one situation American police officers from Detroit, Michigan were chasing someone through the Detroit-Windsor tunnel. They came through the tunnel and past our customs people. They stopped the vehicle, arrested the person and took the person back to the United States. They came over, drew their guns in our plaza, on our soil, took somebody back to their country and did not even notify our local people. We have Canadian citizens there. We have visitors. We have a whole number of different confidence issues. What did the government do about it? Not a single thing.

Imagine if our Canada customs people went into the United States, apprehended someone, brought them back and we did not tell the American authorities, especially right in the middle of their customs and immigration centres. It is deplorable. They were Detroit police officers.

Another Detroit police officer came over to our country last summer. He was hiding a weapon. He was supposed to check in the weapon. He was caught and brought over. As he was trying to hide his weapon, it discharged and he shot himself in the leg. He was seriously hurt. Once again the government did not object. It did not file a protest. There was nothing done. The government allowed this to happen.

What good are some of these security measures if we do not have the proper discourse with different people, including our friends across the way? If we do not have that, we set ourselves up for loss and failure.

Bill C-17 once again calls for a number of different things that have serious civil liberty issues: how much data is kept on a person, how that data is to be used and more important, where it will go. We have raised concerns about that, as has the Privacy Commissioner. He stated:

> It is in fact one of the various concerns you have heard and will hear as a committee, probably the easiest to fix, because it has absolutely no bearing whatsoever on either transportation security or national security against terrorism, which of course are the objects of this bill.

It also quantifies together a whole group of Canadian citizens who are honourable, who have not had problems with the law, who have paid their taxes and are law-abiding citizens. The real concern about the bill is where that information will go and where it will be used.

I want to end my summary by once again noting that we need to improve our current infrastructure of resources, especially our security measures for our Canada customs people who are at the border, at Windsor and other places, where they rely on local officials. They do not have the RCMP active on site, for which I have been advocating. We need to provide those resources up front.

We will not be able to make ourselves more secure with more bureaucratic structures. We need to make sure those good men and women who are on the front lines have the proper resources and the support of a government that will actually back them up to ensure our safety. We need to do that first and foremost. If that does not happen, then the bill will fail.

● (1235)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, I am pleased to speak in the debate on Bill C-17, which is before the House.

It is always appropriate and essential to put any debate in the House into context. We know that this bill is one of the legislative measures proposed by the government in the aftermath of the terrorist attacks of September 11, 2001, on New York and Washington.

We are also aware that in the hours, days, weeks and months following this tragic event, in which more than 4,000 innocent people lost their lives, one of the elements that became clear once the dust had settled—no pun intended—was the need for any proposed antiterrorist legislation to maintain a balance between public safety —that is, protecting the public— and individual freedoms.

In fact, when the airplanes crashed into the World Trade Center and the Pentagon, it was an attack not only on the United States and the West, but on a democratic way of life, an open way of life, where the exchange of ideas is possible in institutions such as the one where we sit today.

If Quebec and Canada, or the West in general, enjoy democracy and the rule of law, it is because the very foundation of our societies is individual freedoms. Any time that a government or, speaking generally, a state, wants to circumscribe or limit these individual freedoms, we must pay attention. In fact, wanting too much to limit individual freedoms, wanting too much to trample on individual freedoms justifies—after the fact—those who would attack this way of life. That is why we must pay attention.

Moreover, it is essential to be very clear. Thus, I will say from the start that the Bloc Quebecois is against this bill. From the first time this bill was presented—and it has had various numbers during the process—we have spoken out against some of its provisions, but they are still found in the bill currently known as Bill C-17.

It is not for lack of effort, nor lack of will, nor lack of reasoned arguments that we say that this bill is not what we want, because, from the start, we have said so. We have had a few victories, that is, the population at large, thanks to the Bloc, has had a few victories. Unfortunately, the government did not want to listen to all the arguments the Bloc has presented in the most constructive way possible.

We tried to alleviate various problems related to this legislation by tabling numerous amendments in committee. Unfortunately, our amendments were defeated by the Liberal majority. I want to share with the House the general tenor of our amendments, because it must be understood that the Bloc made an effort to be constructive and critical, while making an effort to ensure that this legislation does not destroy the balance between public security and individual freedom, which I mentioned in the beginning.

With regard to interim orders, Bill C-17 authorizes various ministers to issue such orders without first ensuring that they comply with the charter or the enabling legislation.

We tried to re-establish this preliminary check so that, before an interim order has effect, it is subject to the charter test, but the government voted this down.

● (1240)

With regard to the powers of the RCMP and CSIS, this legislation includes provisions that confer sweeping powers on the Commissioner of the Royal Canadian Mounted Police and the Director of the Canadian Security Intelligence Service with regard to passenger information compiled by the airlines.

In good faith, we tried to amend the bill to limit the powers to retain or use information collected as a result. We wanted to prohibit this information from being used to execute a warrant of arrest.

We also wanted to ensure that the information collected would be destroyed within 24 hours after the plane, carrying the passengers on whom information had been collected, had landed, except if such information was reasonably necessary for transportation security purposes or an investigation related to national security. In this legislation, the time period within which such information must be destroyed remains seven days.

Finally, we also tried to institute an mechanism to ensure that the Privacy Commissioner would receive a copy of the reasons justifying why some information had been retained; this was also voted down.

We also tried to make several changes, namely to the sections concerning the Immigration and Refugee Protection Act, the biological and toxin weapons convention implementation act, and the Proceeds of Crime (Money Laundering) Act by suggesting amendments or by voting against certain clauses. Unfortunately, despite our efforts and good faith, despite all the energy we invested, the government did not listen, and that is too bad.

However, all our time and energy, arguments found and made, were, at times—but not often enough—welcomed by the government, especially with respect to military security zones. Eliminating military security zones from Bill C-17 represents a major victory for the general public and all those who phoned us, or sent email and letters expressing how worried they were about these provisions. We are proud to say that this victory was gained by the work of the Bloc Quebecois.

As for the declaration of special zones, this measure strikes us as far more reasonable than before. However, I can assure you we will be keeping a close eye on developments, and will remain extremely vigilant in order to speak out against any potential abuse.

The Bloc Quebecois will also do everything in its power to ensure that no military security zone is created in Quebec without the express consent of Quebec's national government.

The bill still contains provisions that allow various ministers to make interim orders. Minor changes were made but there is still no prior test for compliance with the Charter of Rights and Freedoms and the enabling legislation by the Clerk of the Privy Council.

The absence of a prior charter test, and anything that has to do with interim orders, is at the heart of our opposition to this bill and is one of the main reasons the Bloc opposes Bill C-17 with all the vigour we are known for.

Let me now turn to the issue of privacy. As members know, we have the fundamental right in our society to do everything possible to prevent "Big Brother" from becoming a reality. In western democratic societies, a citizen has the right to ensure that his or her privacy is not being invaded by the government. Bill C-17 raises some concerns about our right to privacy which is—I say it again because it is important—a fundamental right in our justice system.

● (1245)

This government bill allows two individuals, namely the Commissioner of the RCMP and the Director of CSIS, to obtain information on passengers directly from airline companies and operators of seat reservation systems.

This information may be requested if there is an imminent threat to transportation safety or security. As regards the scope of the bill for CSIS, such information may also be requested for investigations relating to threats to Canada's security. Bill C-55, the predecessor of the bill now before the House, provided that information could be required to identify individuals for whom a warrant had been issued.

Generally speaking, the information gathered by the RCMP and CSIS is destroyed within seven days of being obtained or received, as I mentioned earlier, unless this information is reasonably necessary to maintain transportation safety, or to investigate a threat to Canada's security.

As I said before, the privacy commissioner is an officer of Parliament and as such does not report to the government, but rather to the whole House. He serves the people, not the government.

On May 6 of last year, the privacy commissioner issued a letter in which he voiced his concerns about Bill C-55 with regard to the gathering of information by the RCMP and CSIS. I will say again that the privacy commissioner is a neutral and objective observer who has the responsibility to warn us about any threat to privacy, including following the introduction of a bill.

When such an objective and independent officer as the privacy commissioner—and the same goes for the Auditor General—tells us something, it is the duty of parliamentarians, and especially of the government, to listen to what this officer has to say and to take that into account.

The privacy commissioner expressed reservations about two sets of provisions, namely those that permit the RCMP to use the personal information of all air travellers for the purpose of seeking out individuals who are subject to a warrant for any offence punishable by imprisonment for five years or more, and those that permit the RCMP and CSIS to retain the personal information of passengers for such purposes as searching for suspicious travel patterns. One can see these are indeed very broad powers.

Concerning the first point I mentioned, there was a problem with several provisions, including the definition of "warrant", the provision allowing the RCMP to collect information in order to find people for whom a warrant has been issued, and the provision allowing the RCMP to disclose information on people under a warrant of arrest.

The Privacy Commissioner suggested that these provisions be eliminated. Our understanding is that the government tried to tighten up these problematic provisions, but was unsuccessful. It could not do it, and this comes as no surprise.

Even if the RCMP is no longer allowed to collect information in order to find a person under a warrant, it can still disclose to a peace officer the information that has been collected under Bill C-17, if it has reason to believe thatthe information would assist in the executionof a warrant.

As a matter of fact, the RCMP itself decides when transportation security is threatened, and it can then ask an air carrier for information on passengers. There is nothing to control the use of this provision. Members would agree that this is tantamount to giving the RCMP a free hand. And once the RCMP has this information, nothing prevents it from keeping the information if it gives the reasons for doing so.

In Bill C-17, the government has tightened up the definition of "warrant". In the previous version, it could be a warrant issued in Canada in respectof the arrest of a person for the commissionof an offence that may be punishableunder any Act of Parliament by imprisonmentfor a term of five years or more. The definition now provides that the offence in question will be specified by regulations.

About the second point I mentioned earlier, the Privacy Commissioner had important reservations concerning the retention of the information.

● (1250)

First, the seven day period during which the RCMP and CSIS may keep the information is excessive; a 48 hour period would be sufficient. The fact that the RCMP and CSIS may keep this information indefinitely for security purposes is of concern. I hope that members will agree with me that all this should be controlled. Neither of the two amendments suggested by the Privacy Commissioner, this officer who is independent from the government, was retained.

Consequently, on November 1, 2002, the Privacy Commissioner issued a news release concerning Bill C-17, in which he mentioned that the amendments made to the bill were minor. Thus, he felt:

> The provision in question, section 4.82 of both bills, would give the RCMP and CSIS unrestricted access to the personal information held by airlines about all Canadian air travellers on domestic as well as international flights.

He went on to say:

> —my concern is that the RCMP would also be expressly empowered to use this information to seek out persons wanted on warrants for Criminal Code offences that have nothing to do with terrorism, transportation security or national security—
>
> In Canada, it is well established that we are not required to identify ourselves to police unless we are being arrested or we are carrying out a licensed activity such as driving. The right to anonymity with regard to the state is a crucial privacy right. Since we are required to identify ourselves to airlines as a condition of air travel and since section 4.82 would give the RCMP unrestricted access to the passenger information obtained by airlines, this would set the extraordinarily privacy-invasive precedent of effectively requiring compulsory self-identification to the police.

We are not the ones who are saying this, it is the Privacy Commissioner, a representative of Parliament who is independent from the government. Let us listen to him.

Finally, the commissioner stated that the amendments proposed are an insult to Canadians' intelligence.

> The changes that have been made in this provision in the new bill do nothing to address the fundamental issues of principle that are at stake.
>
> The Government now proposes to have regulations limiting the Criminal Code offence warrants for which the RCMP will be searching. But this does nothing to address the fundamental point of principle that the police have no business using this extraordinary access to personal information to search for people wanted on warrants for any offences unrelated to terrorism.
>
> As well, in the new bill the Government has removed the "dentification of persons for whom a warrant has been issued" as a "purpose" for accessing passenger information under the legislation. But this is meaningless—indeed disingenuous—since the RCMP would remain empowered to match this information against a database of persons wanted on warrants and to use such matches to bring about arrests. It insults the intelligence of Canadians to suggest, as the Government does in its press release accompanying the bill, that the RCMP may "incidentally" come upon individuals wanted on Criminal Code warrants—if the police are to match names of passengers against a database of individuals wanted on Criminal Code warrants, there can be nothing "incidental" about finding them.

The Privacy Commissioner ended his comments by launching an appeal to us in Parliament:

> It is now up to Parliament to explain to these people that privacy is a fundamental human right of Canadians that must be respected, rather than treated with the apparent indifference that the Government is showing.

The Bloc Quebecois is acting on the appeal by the Privacy Commissioner, that independent officer of Parliament, independent of the government. He appealed to us as parliamentarians, saying, "You parliamentarians have a fundamental duty to protect the fundamental right of Quebeckers and Canadians to privacy. This government, with Bill C-17, is trying to limit that freedom, and you have a duty to oppose it", and that is what we are doing.

● (1255)

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I listened carefully to my hon. colleague from Charlesbourg—Jacques-Cartier.

Allow me to also express concern about the issue he just raised, namely the powers being given to the RCMP. Like the Privacy Commissioner, I would like to hear more about this.

Having personally had a rather painful experience that could have cost me my life in the 1970s, I can tell you that giving too much power to the RCMP or any police force and seeking to suppress the right to privacy can have dangerous consequences.

In the 1970s, I faced a situation—it lasted all of one hour—which nearly cost me my life because the police mistook me for someone else. Afterwards, the only compensation I received was an apology.

When powers are given to a police force, enabling it to do just about anything, I agree with my hon. colleague when he says that we ought to think twice about it.

It is said that history repeats itself. I also remember that in the 1970s, in Quebec, the RCMP took actions it should never have been allowed to take. What was infringed upon was not only privacy, but also the rights of an entire community. Members certainly remember the mischief committed by the RCMP and crimes others were held responsible for, including some vocal demonstrators of the 1970s.

I would like my hon. colleague to elaborate on that, because the public must be made aware of the powers the RCMP is being given. He called on the public to be vigilant, but the government does not want to be vigilant. The Privacy Commissioner is also concerned, and I would like my hon. colleague to elaborate on the RCMP's past excesses.

Mr. Richard Marceau: Mr. Speaker, I would like to thank the hon. member for Champlain for his questions. First, you will certainly agree with me that it would have been tragic for political life in Quebec to have lost a man of the quality of that hon. member in the 1970s. He is a man who has devoted many years of his life to public affairs. He was a member of the Quebec legislature in René Lévesque's government, and he humbly came back into service. He did not need to, but he decided to offer his services to his fellow citizens, and to the ideal he always cherishes, to make Quebec a country. It would have been a serious blow to Quebec in the 1970s to lose the hon. member for Champlain in the prime of life. That is the first point I wanted to make.

The second point is that, unfortunately, we live in a society where there are more people who believe Elvis is still alive than people who trust politicians. This is a pity, but true. That is why I quoted, backwards and forwards, this report by a neutral observer. This observer has no ties to any political party, be it the government party or the four—soon to be three—opposition parties. This neutral but committed observer, well versed in the ins and outs of the debate, mentions that any society that disturbs the necessary balance between public safety and individual freedoms is heading in a potentially very dangerous direction.

My hon. colleague mentioned the abuses by the federal police during the 1970s. Everyone knows about these abuses. This is just one more reason not to give too many discretionary powers to the police arm of the state. As Nietzsche said, "The state is a cold monster".

Parliamentarians have the duty, as the people's elected representatives, to restrict the powers of the state and to control its ever-increasing desire to control and manage our lives and, I would add, to trample on our right to privacy.

The Minister of Citizenship and Immigration recently said that he wanted to introduce a national identity card. This too is an invasion of our right to privacy.

We are mandated by the people to defend their right to privacy, which is the most basic right of all. The Bloc Quebecois urgently and earnestly accepts this mandate.

In closing, I ask my hon. Liberal colleagues to do the same and to tell the Privacy Commissioner that they accept this mandate from the people and that they will fight to protect the right to privacy of all Canadians and Quebeckers. It is their duty to do so, and I hope that they will.

● (1300)

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, allow me to digress a little to tell you how happy I was to learn through the media that your son's health was improving every day. I am very happy to hear that and I am sure that you feel greatly relieved.

I thank you for giving me the opportunity to speak to bill C-17. This bill was introduced in the house a long time ago, in fact just after the September 11 attacks.

I remember that, at that time, the first thing the government did was to ram through Bill S-23, an act to amend the Customs Act and to make related amendments to other acts. Even then, we had questions. The main question was: where does security end and where do privacy and the Charter or Rights and Freedoms begin? This was a great concern, one that we still have today.

Allow me to briefly review what has happened with this bill to date. The first bill introduced was Bill C-42, and everybody was against it. The government had an opportunity to back off a little, to amend it, to rewrite it, to change it and to try to hide things. This is how Bill C-55 came into being. That bill has indeed been changed a little, but not enough to satisfy the opposition, especially not the Bloc Quebecois.

This afternoon, we are finally beginning to consider Bill C-17. Fortunately, because of the Bloc Quebecois, the government has abandoned several points, but not enough yet, unfortunately.

My first concern with this bill is related to the famous military security zones. We have managed to get the government to establish three controlled access zones—as they are now termed—the ports of Halifax, Esquimalt and Nanoose Bay. Unfortunately, we feel this is insufficient, because the bill allows cabinet to establish other zones on security or other grounds. This leaves the door open to the creation of other zones, if the cabinet really wants to do so.

As for the grounds on which the ministers will make that decision, we have absolutely no idea what they are. We were told about it at a briefing by a DND lawyer. That is what he thought. He also referred to "restrictions on civil suits for damages", as was the case before. But the applicable changes are not in the bill.

The Bloc Quebecois position on the striking of the military security zones is that this is a considerable victory. As for the creation of zones by order in council, this strikes us as far more reasonable than the previous mechanism.

● (1305)

We will, however, monitor these new zones. We do not wish to see any such zone created in the provinces, and particularly not in Quebec—since I represent a Quebec riding—unless the consent of the provincial governments, particularly the Government of Quebec, has been sought and obtained.

My other concern about this new Bill C-17 on air control and security relates to the interim orders. Once again, these strike us as too lengthy, even if the time limit has dropped from the initial 45 days to 14. We still believe they should be far shorter.

Our real problem, though, is with the lack of any preliminary check by the Clerk of the Privy Council regarding compliance with the Charter of Rights and Freedoms and its enabling legislation. This is a major problem. It means that ministers, or anyone else, can issue interim orders without checking whether the Charter of Rights and Freedoms is being respected.

The other major problem—and I share the concern expressed by the hon. member for Champlain—is the role the Commissioner of the RCMP and the Director of CSIS will play in collecting information on the passengers on such and such a flight from airline companies or any travel agency, that is individuals who book seats or sell tickets, in the name of security.

While I am all for security, I wonder what use will be made of the information collected. The Bloc's position is that it should be destroyed within 48 hours of it having been obtained. Instead, it will be kept for seven days, and the RCMP will be permitted to make arrests with warrants and to disclose the information to others. This is a dog's breakfast. And what I am saying does not come from the Bloc Quebecois; it comes from the Privacy Commissioner.

As my hon. colleague from Charlesbourg—Jacques-Cartier indicated, the commissioner is a senior government official. He is not just anyone. This person is available to the government party as well as to the opposition parties. His role is to ensure that privacy is protected. He is non-partisan; he is neither a sovereignist nor a provincialist nor a federalist. His role is to look after the right to privacy of individuals. He is someone who should be listened to.

On many occasions, he wrote letters and tried to open a dialogue. Unfortunately, as he pointed out, this did not seem to have any effect on the government, since it did not act on anything he said.

On behalf of all the residents of my riding and all the residents of Quebec and the other provinces, I call on the government and on the promoters of Bill C-17 to take into consideration the concerns expressed by former Privacy Commissioner Radwanski. The Privacy Commissioner works for the taxpayers and is there to protect their privacy.

● (1310)

Finally, as you can see, this bill does not have unanimous support, far from it. It is too vague. It is not tough enough and not clear enough about the powers to be granted, in particular to the RCMP and CSIS.

The bill does not control the RCMP and what it will do with the information it gathers. We are told the information will help maintain the safety of Canadians and keep undesirable individuals out of our country. The RCMP and CSIS could then couple their information with the data bank set up and maintained by the Customs and Revenue Agency. This is one more scandal, one more anomaly mentioned by the Privacy Commissioner in many of the documents he wrote on this issue.

To conclude, I would urge the members opposite to talk to the transport minister and try to convince him not to scrap Bill C-17, but to improve it. It is not yet ready to be voted on. It needs to be improved. Special attention should be given to the right of privacy of all Canadians, and especially of Quebecers.

● (1315)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member referred often to the data bank and obliquely to the security issues. Does he feel there is a balance of database or information collection that is necessary to be able to have the information that is necessary to protect the safety and indeed the sovereignty of Canada?

It really comes down to this issue, I believe: How do we respond to the realities that September 11 imposed on the world to ensure the safety and security of all Canadians?

[*Translation*]

Mr. Gilles-A. Perron: Mr. Speaker, I appreciate my colleague's question. Yes, there must be some control to ensure security. Yes, certain information must be obtained to ensure the country's safety and Canada's contribution to international security.

However, my concern and the Privacy Commissioner's concern is not obtaining the information, but what will be done with it. This is where the problem lies. Is it going to be widely circulated? Will the RCMP be able to take this information, as the bill is suggesting, and send it to a police service, because there is a warrant for the arrest of a person and so on?

This is where the problem lies. The problem is not collecting data, but the length of time it will be kept, what will be done with it and how it will be used. Hence, we must ensure the protection of people's privacy.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I will take this opportunity again to ask a question because the protection of privacy is to me a major issue, the one that affects me the most. We cannot compromise people's privacy under the guise of wanting to protect humanity.

As I said earlier, to understand what is at stake here one has to have gone through something similar to what happened to me. For half an hour or an hour—in my case it was short, but in other cases it was longer—one has to have been looking down the barrel of two guns without even knowing what one has done to deserve such a thing. For one hour, which seemed endless to me, I really thought that was the end of the road for me. In my case, it was a police error.

If we keep putting more and more powers into the hands of the police or the RCMP with fewer and fewer limits, the risk of serious privacy-related incidents will become greater and greater. I believe that it would be possible to find a way, in the bill, to set limits on the powers granted to the RCMP. I would like my colleague to comment on that. It is not the last time that I will raise this issue because, when it happened to me, I promised myself that when I got to be a member of the House, I would never allow a piece of legislation to go through if it were to open the door to violations of privacy, as was the case for me.

I want to ask my colleague if he sees a way of asking the RCMP to protect us but requiring that it act responsibly with regard to privacy issues.

● (1320)

Mr. Gilles-A. Perron: Mr. Speaker, my charming colleague from Champlain is referring to the War Measures Act, which, unfortunately, we lived through in Quebec in October 1970. I would add that I too spent a weekend in the cafeteria and gymnasium of Collège de Saint-Laurent. Today it is a CEGEP, but at the time it was a college.

We were taken away by the army, for reasons I never understood, without any warrant or anything. A group of us were leaving a restaurant in Ville-Saint-Laurent. All of sudden we were in an army truck and spending the weekend at the college. On the Monday, they appeared and told us to go home. There was no way to shower, shave or do anything the whole weekend.

I would not want anyone to go through that same experience today. It was unfortunate, because some tragic events occurred in Quebec.

What annoys us about Bill C-17 is that there are no controls on the actions of the RCMP, CSIS, the army or any other police force. This is about the information they can gather. What are they going to do with this information and how are they going to obtain it? Will it be through the airlines? What will they do with it?

In one of his articles, the Privacy Commissioner says that the bill makes Canadians out to be a bunch of dummies, or morons or something. He says it very well. I am trying to find the exact word. He said "it insults the intelligence of Canadians."

I am sure that most Canadians and Quebeckers have the same concerns I do. Nothing in this bill ensures that there will not be a repeat of October 1970, absolutely nothing.

We must learn from the past and not repeat the same mistakes all over again.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, this is not the first time I have spoken to Bill C-17. It can be said that a certain number of bills have been introduced in reaction to the September 11 attacks, and especially in reaction to the activities of some very high-level American lobbyists who have come to Ottawa a number of times. A pair of U.S. secretaries, Tom Ridge and John Ashcroft, came to Ottawa in the months following the attacks. They said our border was too easy to cross, that our laws were not tough enough or restrictive enough, and asked us to reinforce controls through legislation.

We are finally falling into the trap we did not want to fall into. In fact, I remember that when the House of Commons resumed a week or two after the September 11 attacks, we were still traumatized by what had happened in New York. People said that life would never be the same again.

Nevertheless, one fundamental lesson was there for Canadians and Quebeckers: we had to pay attention to protecting our rights and freedoms. We did not want terrorists to succeed in restricting the rights and freedoms of Canadians and Quebeckers. People said we needed legislation, that some things had to be reviewed, but they also said we certainly should not fall into the trap the terrorists had set for us, that of restricting our rights and freedoms.

The terrorists' goals included not only killing 3,000 people, but striking a violent blow at the great western democracies. They attacked a symbol of that democracy, the towers of the World Trade Center.

Reaction was swift. I do not mean the legitimate act of self-defence that led the Americans to go after Al Qaeda. I mean the resulting restrictions in the fundamental rights of Canadians and Quebeckers.

We had initially decided to split this bill in two. We have always expressed our objections to the part before us today. We objected at second reading; we objected in committee and tried to improve the bill by proposing amendments to prevent restriction of the rights and freedoms of Quebeckers and Canadians.

For that matter, we were not the only ones. The then Privacy Commissioner talked about it publicly many times, saying that this bill had to be amended because it was an invasion of Canadians' and Quebecers' privacy. This is a small victory for us, because I remember that this act was even worse. As you all know, I am the national defence critic for my party. Military security zones were created in many parts of Canada and government was being given the mandate to create some.

It was extremely dangerous for us. As you know, my riding is a has a very strong military presence, housing both a military base and a former military college. Some of the original bill's provisions allowed the extension of cabinet's powers. For example, if a danger was perceived at the Saint-Jean military base, the zone could be extended to the whole city of Saint-Jean. That possibility did exist. Some of the bill's provisions allowed the minister and cabinet to extend those zones.

At the time, I had also given the example of the naval reserve at the Quebec City port. That reserve could have been extended to a large part of the city of Quebec City, including the Quebec National Assembly probably.

The federal government's jurisdiction could be extended and the government would be in control. Access could even be restricted in a large zone around the Quebec City reserve or in a large zone in the riding of Saint-Jean, to give maximum protection to the military infrastructure.

This went so far that people inside the zone could be arrested without a warrant and jailed just because they were inside a military zone.

● (1325)

Furthermore—this is important—the government was required to advise the public of this only one or two weeks after having issued the order in Ottawa. People might have been in the zone without knowing it, not knowing they were breaking the law, and could have been arrested on the spot.

The Bloc Quebecois fought against this tooth and nail. It is very reassuring to see that this had disappeared when Bill C-17 came back before the House.

I think two or three areas, like Nanoose Bay, the port of Halifax and another area, have been declared "controlled-access military zones". Back then, the military used the attack on the *USS Cole* in Yemen as an example. It said that ports were danger zones and wanted to declare certain ports as military exclusion zones. Ultimately, we are happy we limited this. This is a huge victory for democracy and freedom and for the Bloc Quebecois in having managed to get this dropped.

We find disturbing a number of the bill's other aspects. This is not the first time that interim orders have been mentioned; my hon. colleagues did so earlier. I think that they are going a bit too far with the interim orders. A minister can decide that an interim order is necessary, and it might be some time before it is brought to the attention of Parliament.

We have always been told that if an emergency occurs while Parliament is in recess, then they would be necessary. That is what witnesses before the standing committee said. However, in my experience, Parliament has been recalled before, for instance during the railway strike. I am not positive, but I think that the members were also recalled from recess during the strike at the port of Vancouver.

The interim orders are problematic. Once again, the ministers and the governor in council, or cabinet, are being given too many powers.

There are other ways to proceed, even before this legislation is implemented. I know that the government has the habit of sometimes asking for an opinion from the Supreme Court, which is charged with examining a provision or an act in relation to specific questions to see if it can pass the Charter of Rights and Freedoms test.

With regard to the provision on interim orders that is in the bill before us, we may ask ourselves whether it respects the Charter of Rights and Freedoms. I find that it is too easy for the government to hold a cabinet meeting and to decide to make an interim order for some purpose. This would be known several days later. We have tried to reduce from 15 to five days the period before this would be referred to Parliament. The current provisions of the legislation allow the government to circumvent the charter of rights and freedoms, which is quite serious. We cannot say it is not a cause for concern.

As a matter of fact, I continually hear my Liberal colleagues say that the Charter of Rights and Freedoms is extremely important. It was invoked not long ago in the issue of same sex marriages. They want to respect the Charter of Rights and Freedoms in several acts. It is strange that they seem to be ignoring it in Bill C-17.

If a minister believes there is an emergency, the Department of Justice will not be asked to examine any impact on the Charter of Rights and Freedoms. The government will proceed immediately and the impact on the charter will be examined later on. We believe that this is extremely serious.

We have a Parliament that is comprised of 301 elected members from all the ridings of Canada, including 75 from Quebec. In electing us, the people gave us the legitimacy to sit in Parliament. We have the legislative authority to change things, to vote for or against legislative measures.

Of course, I have blamed this government several times for not letting us vote. What this government has discovered lately, among other things, are take note debates. I remember for example the sending of troops to Irak, when Parliament was in recess. A few weeks later, we came back to Parliament and learned that the troops were gone and we were told that we would have a debate on the relevancy of sending our troops to that country.

● (1330)

But the moorings had been cast off, and the ships were almost halfway there. What can we do in such circumstances? We object. I think that, as parliamentarians, we must make ourselves heard on issues as important sending troops abroad. We are talking about young soldiers, children of Canadians, young men and women, sent to a dangerous theatre of operations.

The same is true of Bill C-17. As parliamentarians, we want Parliament to retain the greatest control possible on this kind of legislation. If this bill contains any provisions that turn Parliament into a simple rubber stamp, weeks after a decision has been made, we think it is illegitimate to put parliamentarians in such a position.

It even borders on the illegal, under the Charter of Rights and Freedoms. We are not the only ones in opposition to say so. Rumour has it that some of our Liberal colleagues also oppose this bill because it suspends the operation of the Charter of Rights and Freedoms for certain periods. I think this is dangerous.

The other aspect is the collection of information. Any time there is talk about giving more power to CSIS or the RCMP, it is understandable that our reaction, in the Bloc Quebecois, would be to want to take a closer look at the situation.

Earlier, we heard colleagues tell us they were arrested, probably without a warrant, and jailed for whatever reason. They were detained for several days without being allowed to call a lawyer. This is in direct violation of the Charter of Rights and Freedoms. There might not have been a charter at the time, but there is one now.

We also know what happened. Without calling into question the work of the RCMP and CSIS, I can say that a lot happened during the October crisis. There were even televised reports to the effect that the FLQ did not do many of the things it was blamed for. The McDonald commission later determined that the RCMP had done them.

Everybody remembers the barn burnings. It was terrible. The FLQ, we were told, was burning barns, planting bombs, etc. The McDonald Commission told us that it was not the FLQ that had done this, but the RCMP. Perhaps the RCMP had acted on political orders to aggravate the situation in Quebec so Quebeckers would think that things were really serious. So maybe the RCMP was asked to do that.

Of course no one will ever tell us. No one will tell us that the Solicitor General of the day told the RCMP to do such things. No one has been able to prove it. However, after the McDonald Commission, we know that some people somewhere made decisions for things to happen that way.

When a bill contains provisions that grant more powers to the RCMP and CSIS to gather information on individuals, there is cause for concern and there is good reason to want to limit the scope of these provisions.

I was a member of the legislative committee that studied Bill C-17, a committee that was ably presided over by yourself, Mr. Speaker. I asked a lot of questions. Let us say, for example, that I am sitting next to a person on an airplane and that I have a conversation with that person during the flight. If the RCMP knows something about that person, will it be wondering what ties I may have with that person? Will it be wondering who is the guy that was talking to that person during the whole flight? There must be something there. That is where the ball can get rolling.

Of course, being a member of the Bloc Quebecois, I do not think that the RCMP would dare say that I am a terrorist just because I was sitting next to one. I do not think that it would go that far. It has a certain decency. Moreover, it knows that we have means to defend ourselves.

But the poor businessman who is friendly and speaks with a fellow passenger he knows nothing about might find himself under scrutiny as soon as his plane lands. Police officers might be investigating him, trying to find out who he is, why he talked at length with his fellow passenger, if he has a criminal record, if he had previous business dealings with his fellow passenger, if he knew him before the plane trip. The poor fellow might not even be aware that he is under investigation.

● (1335)

Moreover, the information gathered can be kept for seven days. We want that to be reduced to 24 hours. The Bloc Quebecois has worked hard on this issue and on the orders in council. We have brought forward many amendments to uphold the rights and freedoms of Quebecers and Canadians. All of our amendments have been quashed by the Liberal majority.

Therefore, we cannot support such a bill at third reading. There would be too many consequences. Quebec, with its collective memory, does not want the government to be provided with more tools to control the population. We are not the only ones to take that position. Many witnesses have argued the same thing before the committee.

I fail to understand why my Liberal colleagues, after hearing such eloquent and relevant evidence, would not agree with the witnesses, but would rather say "No, we will stick to the bill as it is."

This is when we realize that party solidarity sometimes goes a bit far, particularly when the government side is involved. They sit down together, listen to all kinds of things being said by witnesses, and then just turn aside and say "That is not it. Those are not the people we want to hear from." The whole thing has become a bit of a farce.

Yet standing committees of the House of Commons, like parliamentary commissions in Quebec. are created in order to listen to the public. Moreover, the various books on parliamentary procedure agree that it is important to listen to witnesses and to the public.

Has this become a farce, a comedy? Has it become mere fiction? One might well ask. As MPs, we sit on numerous committees and we see how it always goes: if the government wants to pass a bill, even if 500 witnesses spoke out against it, the government sticks to its guns and just ignores all the groups and individuals who made the effort to appear before the committee.

There will, of course, always be some witnesses—the government will make sure there are one or two—who share the government's views. These are the ones who will receive the spotlight, not all those witnesses who do not agree with it.

We are, therefore, in a position to have some very serious questions about Bill C-17. There have been a number of witnesses. This is a bill on which there have been a number of discussions in this House. We cannot, however, say that the government passed a gag order, though it did not listen any more than if it had.

Speaking of gag orders, that is another thing. If the government does not want to listen to us, if it thinks we are going too far, it imposes a gag order. So far with Bill C-17 the government has not been too put out, since it has not gagged us. It has not, however, listened to us any the more. That is the situation.

This government needs to set its arrogance and its majority aside and listen to the people in opposition. A democracy without an opposition can easily get off the track. This is not a dictatorship. If a government with a majority never listens to the opposition, there is something wrong. It is like a dictatorship. It is a dictatorship by the majority, even if they outnumber the minority by only 10.

We are ignored and the government does what it wants with witnesses during parliamentary committee meetings, as was the case with Bill C-17. Indeed, it listened, it heard witnesses and then it decided to ignore what was said and include exactly what it wanted in the bill. In the parliamentary committees my Liberal colleagues went along with this. I hope, for the sake of democracy, rights and freedoms, that when it comes time to vote at third reading, some of them will stand up. I hope so. We will be watching them, although we are not kidding ourselves.

We believe this bill has gone too far. That is why we have to vote at third reading the same way we did at second reading, in other words, against Bill C-17.

● (1340)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, during his speech the member made a statement to the effect that it was inappropriate to give the government any further instruments to control the people. It is unfortunate that it comes to a point where we talk more about the concern of the controlling aspect and move away from the realities of the need for security within Canada and safety for its people.

Similar to the question I asked previously, I again would like to ask the member about the balance between the safety and security of Canadians and their collective right to privacy. Without safety in this country we have no sovereignty and without sovereignty we have nothing. There is something to be said on both sides and I guess it really goes to the heart of the question of how we cannot have it both ways. There has to be some point at which it is in the best interests of all even though there may be conflicting needs or interests on behalf of Canadians.

[*Translation*]

Mr. Claude Bachand: Mr. Speaker, I would like to thank my colleague for asking his question a second time. The first time around I thought that if he had directed his question to me, I would have had an answer for him.

I have to partially agree with him. We are trying to find a balance between security and protecting citizens' rights and freedoms. That is certain. Nonetheless, my colleague will agree that this is arbitrary. What would we do if we were American? We would tighten measures even further and invest in the army and anything related to war. They did just that with their intervention in Afghanistan and Iraq. That is how Americans see things.

The United States, our neighbour, has ten times the population we do. The member was talking about sovereignty. He knows full well that the issue of sovereignty is especially dear to our hearts on this side of the House. When he talks about sovereignty, is it a good idea to copy an American system?

I saw Tom Ridge and John Ashcroft come to sit in the gallery of this House and listen to oral question period; I saw the Minister of Finance, in the last budget, invest $7 billion and change in security by giving more to the RCMP, CSIS, the Canadian Forces and the Canada Customs and Revenue Agency.

Where does Canadian sovereignty fit in all this? Are we no longer able to have our say? Are the Americans dictating their wishes to various ministers and members of Parliament?

It is reflected in the budget and in the bill we are debating today. The Americans have probably asked the Canadian government to tighten things up concerning immigration, customs and revenue, and so on. We can see this developing and we have seen it starting with the 2002 budget, where $7 billion more was invested in security.

I think this bill goes much too far in the name of security. Canada has always been distinguished by its rights and freedoms; that has been our way of life in Canada and in Quebec. With this bill, we are making a dangerous change. In my opinion, we are in the process of losing—and this is a sovereigntist speaking—parts of Canadian and Quebec sovereignty by passing laws like this and playing the game by American rules.

Some people say that in 50 years the rest of Canada—perhaps not Quebec—will have become nine additional American states, and that this transformation will perhaps have started under the Liberal government now sitting opposite.

● (1345)

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I would like to tell my hon. colleague for Saint-Jean that he has answered our Liberal colleague's question a second time. That hon. member did not understand the second time either, because the hon. member for Rivière-des-Mille-Îles gave essentially the same answer. What we want is balance. The hon. member for Saint-Jean has explained it to him again, but I do not think we can find a way to make ourselves understood, which is a bit sad.

There is one aspect of this bill that annoys me. We have talked a great deal about military security zones. Since my hon. friend from Saint-Jean is an expert in that field, I would like him to say something more about these zones.

Just before that, I would like to tell him that in the 1970s a Mr. Samson, an RCMP officer, was caught planting bombs in the name of the FLQ. Unfortunately, the bomb went off in his hand while he was setting it near the residence of former Prime Minister Trudeau, to give the impression that Quebecers were “bad guys”. Then it was discovered that the RCMP was behind it. Thus, as far as trusting the RCMP is concerned—thanks but no thanks.

I would like the hon. member to tell us about military security zones, because I could point out that there are still some 300,000 mortar shells on the bottom of Lake Saint-Pierre, of which 10,000 to 12,000 are still dangerous. Before discussing military security zones, it seems to me that we should require our armed forces to prove that they are keeping us safe at home.

Mr. Claude Bachand: What bothered us with the military security zones was the fact that the minister could at a whim extend a well delineated zone such as the one under the jurisdiction of the naval reserve, in Quebec City, as much and for as long as he wanted. Moreover, he did not need anyone's permission to do so.

I take the example of the naval reserve because this is a very political issue. Just imagine that a decision was made that all of Old Quebec, including the National Assembly buildings, was to come under the jurisdiction of the naval reserve. What would it look like if members of the Canadian Forces controlled access to the National Assembly? It could have gone that far. The same thing could have happened in the riding of Saint-Jean. The limits of the military base could have been extended to include part of the town of Saint-Jean, including city hall, and soldiers would have controlled the access of city councillors and residents to city hall.

That was going much too far. My colleague did give examples where the army was at fault. We know that it was at fault with respect to Lake Saint-Pierre, and that 300,000 rounds were indeed shot in the water, in the river, of which some 12,000 are likely to still be live. Instead of announcing that they will be helping residents clean up the lake, the departments of the environment and of national defence are passing the buck to each other.

So, the issue of military security zones is very important to us. Once again, we had to be suspicious. There had been abuse in the past; we are trying to remedy that. With a bill like this one, conditions must not be created whereby this abuse could start all over. I have no desire of leaving contaminated land or 300,000 rounds of ammunition in the bottom of the river as a legacy to future generations. This kind of abuse had already taken place.

That is why we are vigilant today. That is also why we, in the Bloc Quebecois, are staunch defenders of the rights and freedoms of individuals. This is very important to us because we have suffered because of that. Our rights and freedoms have been repeatedly trampled on. As a result, we can tell now when a bill contains dangerous provisions.

I think that we are doing our job in taking our responsibilities as parliamentarians. We did so at second reading. We did so for several months at the standing committee, the standing legislative committee which you used to chair, Mr. Speaker, and will continue to do so because we have had our rights interfered with by actions taken by the federal government for far too long, and we think that the bill before us also poses a threat.

● (1350)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, Bill C-17, the public safety act, has a long history. As the member for Port Moody—Coquitlam—Port Coquitlam mentioned in his speech, this is probably the third kick at the can. This is unfortunate because some important elements of Bill C-17 are essential to the safety and security of Canadians.

I should clarify that notwithstanding the frustrations of the member for Port Moody—Coquitlam—Port Coquitlam, he also confirmed that the Alliance Party supports the bill and I hope most members will.

Last night I happened to be watching the miniseries on Pierre Elliott Trudeau. One of the last events which occurred in the first part was the invocation of the War Measures Act, where basically the civil liberties of Canadians were totally set aside and hundreds and hundreds of people were summarily rounded up and taken into custody. It is a dark period in our history and I guess some would, in hindsight, try to reflect on whether the actions taken by the then federal government were appropriate under the circumstances.

Canada is not accustomed to terrorist type activities, but the members will also know that the federal government cannot bring in the army or do certain things without a request from a province. That is part of the jurisdictional relationship that exists.

I am somewhat sensitive to the arguments that have been raised by members of the Bloc Quebecois with regard to privacy and, maybe more broadly, to the civil liberties, civil rights of Canadians. A prior

speaker had indicated that one of the concerns, to summarize, was that basically this is yet another instrument that the government is being given to control the people. It is quite concerning because I suspect that there are some who share that view, particularly from the standpoint that they hear anecdotally about stories where things are happening that in fact do appear to be an infringement of privacy rights of Canadians.

One of the first ones that occurred following September 11, 2001 was the requirement by the United States that a passenger manifest be provided for all aircraft originating in Canada and landing in the U.S. I know that at that time there were some very serious concerns about that, but the U.S., as a sovereign nation, has certain rights to require certain things to protect its own sovereignty and its own security. As a consequence, if we wanted flights to fly between Canada and the U.S., we were going to have to comply and that has happened.

What kind of information? Well this sort of is a starting point of when one gets from a standpoint of who is travelling, how often, what destinations, et cetera, and patterns begin to develop. Following that to its logical conclusion, it is pretty clear that we are talking about profiling people. If we start talking about profiling in terms of their physical activity, it does not take very long before we start talking about profiling people based upon their personal characteristics, whether it be their race, colour, ethnicity, et cetera.

This is where this argument becomes more sensitive. Most jurisdictions have had this difficulty dealing with the whole concept of profiling. It is one of the reasons that I raised in prior questioning today the appropriate balance between the necessity for privacy and the protection of the civil liberties of Canadians, and balancing that with the realities of security and safety of Canadians and of our country.

As I said, if we have no safety then we have no security, and if we have no security, we have no sovereignty. This goes to the fundamental principles in which Canada is going to have to protect itself.

I believe we are approaching question period. I would like to conclude my comments when the bill is next called simply because I believe there are some important points that have to be put in perspective, but I would like to lay out some of the reasons that I will be supporting Bill C-17.

● (1355)

The Deputy Speaker: The hon. member for Mississauga South will have approximately 15 minutes remaining in his intervention when the matter is back before the House.

We will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*English*]

CHILDREN'S AID SOCIETY

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, I rise today on an issue that is of the utmost importance, that of child protection.

October serves to bring much needed attention to the plight of the abused and neglected child. In order to raise public awareness of the ongoing effort to end child abuse and neglect, the Children's Aid Society of Haldimand—Norfolk has requested that I wear this purple ribbon.

The Children's Aid Society is a lifeline and a safe haven to Ontario's children and families most in need of assistance. I am proud of this organization's long history of leadership in protecting children.

In my own riding of Haldimand—Norfolk—Brant, our Children's Aid Society has assisted over 1,900 families and has taken 138 children into care in the last year alone.

For over 100 years the Haldimand—Norfolk Children's Aid Society has performed a vital service to our community. I gladly wear this ribbon as I salute the venerable work of this organization.

* * *

UNIVERSITY OF SASKATCHEWAN

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I am pleased to call your attention to the upcoming opening of the expanded vaccine and infectious disease organization at the University of Saskatchewan in Saskatoon.

With the new space, equipment and staff, VIDO will be able to capture the opportunities afforded by genomics and other advances in science related to both human and animal health research. This includes a role in the Genome Canada project and collaborative agreements with research institutes and companies around the world.

This major expansion will substantially increase the capacity of Canada and the world to fight not only food safety challenges but animal and human diseases. VIDO will address food safety challenges while building on the University of Saskatchewan's already impressive research infrastructure and the University of Saskatchewan's reputation as a worldclass academic institution.

* * *

● (1400)

[*Translation*]

CATTLE PRODUCERS

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, cattle producers in Abitibi-Témiscamingue have their backs to the wall and are asking Quebec City and Ottawa to take immediate action, before they lose their farms, which are hard hit by the mad cow crisis. To date, they have lost $8 million.

They have not received any assistance since September 1, 2003. On September 26, I met with many producers and the presidents of their associations, Alain Richard and Rosaire Mongrain. This is a Canadian crisis, and we must maintain financial assistance for an indeterminate period, as England did.

Of the 793 farms in the vast region of Abitibi-Témiscamingue, 597 are directly affected by the crisis.

On September 23, 2003, the government received from Alain Richard, the association president, a list of demands by producers for a new financial assistance program for all sectors of beef production.

Today, I am making a non-refundable $200 donation to the Department of Agriculture and Agri-Food as my contribution to the financial assistance package to counter the effects of the mad cow crisis. Here is my cheque for $200.

* * *

[*English*]

2003 SPECIAL OLYMPICS

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, it gives me great pleasure to rise in the House today to honour the athletes who represented Canada at the 2003 Special Olympics World Summer Games that were held last June in Dublin, Ireland.

The Special Olympics World Games are held every two years, alternating between winter and summer events.

In Dublin, the Canadian team was one of over 160 international delegations, totalling more than 6,500 athletes from around the world.

The 59-athlete delegation from Canada offered a brilliant performance that drew very positive attention to Canada's special Olympics program. Indeed, Team Canada reaped a total of 102 medals, of which 51 were gold. Several athletes completely dominated their sport, like Johanna Hamblin from British Columbia who alone captured five gold medals in rhythmic gymnastics.

All our special Olympics athletes represented our country with pride, while perpetuating Canada's tradition of sportsmanship.

On behalf of everyone in the chamber, I wish to congratulate them wherever they may be and tell them how much they are admired as athletes and persons. Their success in overcoming adversity in the pursuit of excellence makes them great role models for all Canadians.

* * *

[*Translation*]

VIOLENCE ON TELEVISION

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, as the member for Laval East, I am pleased to inform the House of the presence in Ottawa today of various representatives from the health and education sectors in Quebec, including the Collège des médecins, the Ordre des psychologues and the Fédération des commissions scolaires.

These organizations are here to speak out against violence on television, which they estimate has increased by 432% on private television networks in Quebec.

They have tabled a petition signed by some 58,000 parents, as well as resolutions from 288 school boards, town councils, parent committees, school advisory boards and social groups.

According to mental health organizations, if a growing number of children are at risk of violence, our entire society feels less safe.

Our children are our most precious resource. We need to keep that in mind.

[*English*]

NATURAL DISASTERS

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, last night, hurricane Juan slammed into Nova Scotia and Prince Edward Island causing a trail of destruction.

On behalf of my constituents and the official opposition, I would like to offer my sincere sympathies to those friends and families who lost someone last night.

I attended the Emergency Preparedness College in Arnprior and can attest to its value in such natural disasters. Maritime community leaders with the Arnprior emergency measures training will be extremely valuable assets to their neighbours in the coming hours.

The government must ensure that communities across Canada have the proper training, facilities and equipment to deal with the unexpected. The government has continued to insist on moving and replacing the Arnprior facility.

It is my experience that maritimers always pull together in times of need. It is their strength that will help their communities return to normal as soon as possible.

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PAKISTAN

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, the president of Pakistan recently visited Canada on an official state visit. His cooperation on the terrorism file is appreciated by all of the world's countries that want to see the realization of peace and security for their citizens.

However, there is no peace or security for Pakistan's Christians. Repeated killings, bombings and incidents of rape make life difficult for this minority group and others. The Pakistani government's unwillingness and/or inability to provide protection for its citizens is shameful.

All governments have an obligation to protect minorities from persecution and particularly to uphold their rights to believe and practice their chosen religion.

President Musharraf pleads for religious tolerance and understanding for Pakistan's Islamic majority abroad but gives no protection for Pakistan's minority Christians or others at home.

The imposition of theological Sharia law on all majority and minority adherents and the abuse of blasphemy laws make for a perilous existence for Pakistan's minority religions.

I hope that during the course of the visit our Prime Minister and the minister reviewed President Musharraf's pitiful religious record.

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● (1405)

[*Translation*]

CITY OF DRUMMONDVILLE

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to draw attention today to the work of the economic stakeholders of greater Drummondville. In less than 10 years,

Drummondville has become a real model of economic development in Quebec, not to mention all the awards in a number of sectors that have come its way.

In 15 years, the number of manufacturing plants has risen from 288 to 547. Of those, 40 or so relocated from abroad.

Over the past 10 years, Drummondville's population has increased about 34%, five times the Quebec average. It has become so prosperous that taxes have been cut, and it has paid down its debt as well. The key to all this success: teamwork.

The success of greater Drummondville depends on a balance between economic and cultural development, between the business and the political worlds. Thanks to the efforts of all involved, I am proud to say that Drummondville has become the envy of other areas.

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[*English*]

CENTRO CALABRIA FESTIVAL

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, Canada is a country gifted in diversity, language and culture, and I am proud to recognize and be part of our rich mosaic.

I recently had the pleasure of attending an event organized by the Federation of Calabresi of Ontario which represents more than 200,000 Ontarians of Calabrese descent.

The Centro Calabria Festival, which took place in Toronto on September 21, celebrated Calabrese food, music and culture.

The federation hopes to establish a Centro Calabria, a social and cultural centre that will foster a greater sense of community among its members, and which will also help to strengthen the social, economic and cultural ties between Ontario and the region of Calabria in Italy.

I ask all members to please join me in congratulating Tony Silipo, president of the Federation of Calabrese, on a wonderful event and to wish him and the board of directors and governing council good luck in their endeavours.

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KOREAN WAR

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, today, the war in Korea, the forgotten war, is still a war on hold, still not resolved. It is the war that was never declared, but make no mistake, it was a war.

During the war in Korea, 30,000 Canadians served under severe conditions. They gave a small, beleaguered nation the opportunity to be free. The price of this freedom was 516 who never came home, who never grew old.

In Ottawa a privately funded memorial now stands to remind all of the forgotten war and replicates a memorial standing in the United Nations cemetery in Korea.

Today, on Korea's beautiful and green treed hills, there is still a hopefulness for final peace.

Patrick O'Connor of the Royal Canadian Regiment was killed one day after penning these words:

> There is blood on the hills of Korea
> It's the gift of the freedom they love
> May their names live in glory forever
> And their souls rest in Heaven above.
> Let us not forget.

* * *

MONUMENT TO CANADIAN FALLEN

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, yesterday, in a moving and dignified ceremony, an echo copy, a replica of the Monument to Canadian Fallen that stands in the United Nations Memorial Cemetery in Busan, Korea was unveiled here in Ottawa. This monument pays tribute to the over 30,000 Canadians who fought in Korea to protect justice, democracy and peace.

This monument is one of peace. The Canadian volunteer soldier depicted holds no weapon. He carries a small Korean girl in one arm and guides a Korean boy with his other hand. At the base of this bronze monument are the names of the 516 Canadians who lost their lives in Korean service.

This monument serves as a tribute to those who fought and those who gave their lives so that others would be free.

On behalf of the House and all Canadians, I am honoured to thank all the Canadian soldiers and their families for their immeasurable sacrifice.

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● (1410)

COMMUNITIES IN BLOOM

Mr. Gary Schellenberger (Perth—Middlesex, PC): Mr. Speaker, it is with tremendous pride that I rise today in this House to share with my colleagues the experience I was able to enjoy during the Communities in Bloom Festival that was held in my riding of Perth —Middlesex, at Stratford, Ontario.

This wonderful event was designed to make our cities and towns as beautiful as possible. It enjoys an enthusiastic worldwide audience. This year's event included participants representing Europe and the United States, and from right across Canada. This was a great opportunity to work toward cultural and environmental gains.

The main venue was located with the historic Stratford Shakespearian Festival Theatre as a backdrop and was very well attended. Stratford was able to shine again on the international stage. The winners of the various categories should be congratulated, the scores of volunteers should be thanked, and our competitors should be very proud.

I know I am proud of Stratford for the job the city did in hosting the event.

[*Translation*]

JEAN-PIERRE RONFARD

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, a great figure of the Quebec theatrical scene left us suddenly last Friday at the age of 74.

Jean-Pierre Ronfard, actor, playwright and director, made a huge contribution to Quebec theatre. He constantly sought innovative ways to approach a role and was a mentor to hundreds of actors who followed him.

At the invitation of Jean Gascon, he headed the French section of the National Theatre School for four years, beginning in 1960. The events of May 1968 in France prompted Ronfard to re-examine his approach to theatre. Quebec benefited from what he termed his need to purify, to get down to the bare bones.

The Bloc Quebecois pays tribute to this great creative genius. Our most sincere condolences to his daughters Alice and Bénédicte, his son Benoît, and to the entire Quebec artistic community, which is diminished by his passing.

* * *

[*English*]

HAMILTON MOUNTAIN

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, a recent study was conducted by McMaster University in Hamilton on the health of the city residents. The focus of the study was on how neighbourhood factors affect the health of its residents.

The study concluded that the residents of Hamilton Mountain recorded higher rates of contentment than the residents of some other areas of the City of Hamilton. The study found that people who live in good neighbourhoods and with good neighbours and good quality housing and social programs live healthier lives. The residents of Hamilton Mountain reported higher levels of satisfaction with their neighbours, lifestyles and employment.

It is always my pleasure to represent the good people of Hamilton Mountain. Today, it is an even greater pleasure to represent the happy and healthy people of Hamilton Mountain.

* * *

KOREAN WAR

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, yesterday both Canadian and Korean war veterans received long overdue recognition of their sacrifice for democracy and freedom.

My colleague from Windsor—St. Clair and I joined with Canadians and Koreans to pay tribute to our heroes with the dedication of the sculpture Monument to Canadian Fallen. Although not noted in the ceremony, retired Lt. Col. Chip Bowness, Vince Courtney, Henry Martinak and James Bradley spearheaded this noble cause.

Funds were donated by Korean war veterans, Royal Canadian Legion branches, Veterans of Foreign Wars of the U.S., the City of Windsor and Windsor labour unions. In fact, all dignitaries who spoke failed to acknowledge that Monument to Canadian Fallen was first displayed in Windsor, next to our treasured Cenotaph, before Ottawa finally recognized this national sacrifice.

We wish to thank our parks and recreation staff, and Don Sadler and Sandy Lindsay who attended the ceremony with 17 Windsor area Korean veterans. Some 30,000 Canadians served in the Korean war and 516 Canadians lost their lives.

On behalf of the New Democratic caucus, we wish to thank them and their families for the sacrifices they made for freedom and democracy. They make us proud.

* * *

[*Translation*]

2003 SPECIAL OLYMPICS

Ms. Hélène Scherrer (Louis-Hébert, Lib.): Mr. Speaker, today I am pleased to commend the delegation that represented Canada at the 2003 Special Olympics World Summer Games held in June in Dublin, Ireland.

Winning 102 medals, the Canadian team impressed the international audience by at times outclassing its competitors in disciplines such as rhythmic gymnastics.

This excellent performance is a direct result of the hard work of Special Olympics Canada and its efforts to implement a solid and innovative program for the national team that is now the envy of the world.

The primary role for Special Olympics Canada is to enrich through sports the lives of Canadians with intellectual disabilities. It is a not-for-profit agency with a strong community presence that provides opportunities for training and competition to 28,000 athletes of all ages and levels of skill.

The organization also has an army of volunteers who give their time as trainers, officials and administrators.

Special Olympics Canada can be proud of its achievements and those of its athletes. Its remarkable contribution to the quality of life of countless Canadians—

The Speaker: The hon. member for Edmonton Southwest.

* * *

[*English*]

MARC OUELLET

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, I rise today to congratulate Quebec City's Archbishop Marc Ouellet on being named a Cardinal by Pope John Paul II.

Archbishop Ouellet is the third of a family of eight children from Abitibi, Quebec. His Christian service in Canada included serving as rector at Montreal's Grand Seminary and at St. Joseph's Seminary in Edmonton.

[*Translation*]

His international experience includes studying in Europe, teaching in Colombia and working at the Vatican. From 2001 to 2002, Archbishop Ouellet served on the Vatican's Pontifical Council for Promoting Christian Unity.

● (1415)

[*English*]

Archbishop Ouellet will be formally installed as a prince of the church on October 21 at a gathering of the entire College of Cardinals in Rome for the celebration of the Holy Father's 25th anniversary as Pope.

On behalf of the official opposition I would like to offer our congratulations to Archbishop Ouellet and our prayers for his continued faithful service to God.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ASSISTANCE

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, you will know and the government will know that hurricane Juan ripped through Nova Scotia and Prince Edward Island this weekend causing apparently pretty extensive damage.

There has been extensive flooding, trees have been uprooted, power has been out, and a couple of unfortunate Atlantic Canadians have lost their lives. We all wish to express our condolences.

Can the government provide the House with an update on what kind of assistance it is providing?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, the government has been seized with this major problem, principally in Halifax.

Our officials have been collocated with municipal, provincial and also military officials as of Sunday. I recently spoke with my emergencies counterparts in Nova Scotia and Prince Edward Island.

I am pleased to report that as of 4 p.m. this afternoon there will be at least 200 soldiers in the streets helping to gather debris and there will be a mobile kitchen to provide dinner for evacuees at the Halifax Sportsplex later today.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I thank the government for that update.

I want to ask a question more directly about disaster relief assistance because the government does have a patchy record on this.

It was slow to deal with SARS and still slow to deal with fires in British Columbia and the outbreak of BSE. In the case of Newfoundland, it was two years before disaster relief assistance came for 9/11.

My question is, has the government assessed financial and monetary damage? Is it prepared to offer disaster relief assistance?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, actually just a half an hour ago I spoke with Mr. Ernest Page of Nova Scotia and Mr. Elmer MacFayden of P.E.I. on this very topic.

I said to them that if ever there was a natural disaster, it was this hurricane and that there was absolutely no doubt as to the eligibility of the provinces for DFAA.

At the same time, we all agreed that now is not the time to discuss money. Now is the time to clear up the damage and provide the physical assistance which they may require.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I get a little bit concerned when I hear that now is not the time to discuss financial assistance. It may be true today, but we have seen in many other crises that the time seems to get pushed farther and farther back, and that is a problem.

We have a new Liberal leader coming into office. Once again, has the government assessed the damage and what assurance can it give the House that this slow transition to a new leader is not going to delay disaster relief assistance to these two provinces?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, with all due respect to the Leader of the Opposition, I do not think that is an appropriate question at this time.

All of us who are concerned about this emergency are seized with the problem of the hour. Trees have fallen, power has not been fully restored, and people who have been evacuated from their homes need help.

The provincial counterparts agreed with me 100% that now, today, was not the time to talk about money. The money will be forthcoming. The immediate priority is to fix the real situation on the ground.

* * *

HEALTH

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the Minister of Finance admitted last week that the government will be reneging on its $2 billion health care promise to the provinces. He says he does not have the money.

Would the finance minister explain why his government is on a $5.5 billion government wide spending spree in the supplementary estimates, but it cannot keep a $2 billion health care promise to the provinces?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I guess the member's amorous mood of last week has worn off. I even said I liked him last week. It got lost in the orchard or something on the way here.

Neither of the statements are true. First of all, we are not reneging on any promise that we made. We are fulfilling our promise to the letter.

Second, the estimates did not disclose a $5 billion excess. In fact, we are below the amounts estimated in the budget for spending this year.

● (1420)

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, this issue is bigger than the minister and I. This is about priorities.

The government announced $5.5 billion in new spending, $1.1 billion in new grants for departments such as Canadian Heritage and Human Resources Development, $10 million more for the failed firearms registry, and $28 million for Communication Canada, the father of the scandals that have occurred involving sponsorships.

Would the minister explain why funding these boondoggles is a higher priority for the government than providing health care funding for Canadians?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, if he is so confused, I do not know but perhaps we can try to help him out outside the House. However I can tell him that with the main and supplementary estimates that have been tabled so far, in fact our spending is about $5 billion below that estimated at the time of the budget in February.

Of course we have not completed the year and there will be other supplementary estimates. In fact we are doing quite well in terms of following our fiscal plan and meeting the targets that we have set.

The $34.8 billion that we promised in additional health care funding is on its way.

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[*Translation*]

GOVERNMENT CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister of Public Works and Government Services is thinking of going after sponsorship program officials or managers who have broken the law, but they are now retired and out of reach. Unfortunately, the minister does not think it necessary to acquire the tools he would need in order to call to account the former ministers —Alfonso Gagliano, for example—who made decisions in the sponsorship scandal.

Since the Prime Minister says that people who have done wrong must answer for their actions, what is he waiting for before launching a public inquiry so that Alfonso Gagliano is called to account as well instead of being allowed to play at being ambassador to Denmark?

[*English*]

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, we are continuing to do a step by step review of a variety of areas and we will await the results.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that is certainly reassuring.

By refusing to hold an independent public inquiry, the government is sending an unacceptable message to the people whose money was used to finance the sponsorship scandal and grease the palms of buddies.

Does the Prime Minister realize he is sending a double message to people that public servants will be punished but ministers will be rewarded with appointments?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, we have already explained to the House that there is a procedure. Investigations have been carried out by the RCMP and are still ongoing. Everyone who is found responsible for illegal activities will be dealt with under the law.

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, last week the Minister of Public Works and Government Services stated that the RCMP and the Auditor General could be relied upon to shed light on the sponsorship scandal. The future prime minster said the same thing.

How can the government give credibility to an RCMP investigation when we know that, in the HRDC scandal, RCMP investigations were the best way to ensure nothing was ever heard again about anything, and no one would ever find out who was responsible for what?

[*English*]

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, as the minister has indicated, I think we are doing a very thorough step by step process of looking at all aspects of the issue. The Auditor General is looking into it. The RCMP is looking into it. At the conclusion of the investigation, if there are any further steps to take, they will be taken.

[*Translation*]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, the Minister of Public Works and Government Services says we are not yet at the public inquiry stage in the sponsorship affair. If the government does not set up a public inquiry now, then that is the last we will ever hear of this scandal, because even the future Liberal leader is not at all interested in having any light shed on the matter. He has already said so.

● (1425)

[*English*]

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is premature at this time.

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NATURAL RESOURCES

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the minister responsible for natural resources is on record as advocating one offshore board for Atlantic Canada.

How does the minister reconcile this with the fact that we have the Atlantic accord which entrenches a joint management board, Newfoundland-Canada, and provides first crack at the provision of goods and services employment to the people of Newfoundland and Labrador?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. Minister of Natural Resources is not here today but I am aware that the minister is aware of these concerns and has made every effort to ensure representation on these concerns is brought to his attention. He will continue to deal with this issue as he has very capably in the past.

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INTERGOVERNMENTAL AFFAIRS

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, on September 11, 2001, some 80 planes with about 12,000 passengers landed in Newfoundland. The people of Newfoundland, as usual, opened their hearts, their homes and their wallets to look after these people with assurances from the Government of Canada that they would be reimbursed.

It is now over two years. They have not been reimbursed. The latest rumour is that the government is talking about reimbursing them for half the costs.

What is the truth? When will they get reimbursed for these costs?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I know the people of Canada and especially the people of the United States, who were in those airplanes, are extremely grateful to the people of Newfoundland and Labrador for the hospitality they provided.

Indeed, many of those Americans still go back to Newfoundland and Labrador for events and to thank them personally two years after this event occurred.

I know as well that my colleague, the Minister of Intergovernmental Affairs, is seized with the specific question that the hon. member posed.

* * *

TAXATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, there are new allegations that, while he was finance minister, the member for LaSalle—Émard's company used operations in Barbados that did not meet the government's requirement to qualify as tax shelters.

As the revenue minister, I am sure that the minister believes that tax evasion must be condemned. As a Liberal, I am sure she wants to clear some of the corporate muck that is sticking to her new leader.

The question is this. Before he becomes Liberal leader, will the minister investigate fully the tax evasion practices of Canada Steamship Lines? Will she do that?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, not only is the question questionably out of order but clearly no minister will enter into a discussion of the tax treatment of any individual or individual company on the floor of the House of Commons.

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PHARMACEUTICAL INDUSTRY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, we have seen the walrus and I guess this minister will not be the carpenter.

Let us move on to the record of the government which helped raise drug prices.

Canadians need cheaper drug prices and Africa needs them too to fight AIDS. Last week some ministers said that they wanted cheap drugs for Africa, but as we know the big drug companies have come down very hard on this issue.

Therefore Canadians really want to know where does the government stand. With Stephen Lewis or with big pharma?

My question for the Prime Minister is this. Will Canada stand up to big pharma and let cheap drugs fight AIDS in Africa? Is the government willing to take on big pharma to help the people of Africa?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, let me tell the House how proud I was, like all Canadians, when we made the TRIPS agreement and when the whole WTO membership agreed to give privileged access to Africans so they could fight these pandemics of AIDS, malaria and tuberculosis.

Of course, we will want Canadian companies to be part of the effort and to contribute to alleviating the suffering and the difficulties they are having in Africa while respecting of course the intellectual property, as the TRIPS agreement requires us to do.

* * *

● (1430)

JUSTICE

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, in 1997 the same Liberal justice minister who said the billion dollar gun registry would only cost $2 million also promised Canadians that he would crack down on dangerous offenders by imposing tougher sentences.

Not surprisingly last Friday the Supreme Court of Canada told us that his changes in the law actually made it easier for dangerous criminals to avoid prison.

When will the Liberal justice minister bring forward legislation that protects the public by keeping dangerous offenders behind bars?

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the Criminal Code is composed of a mosaic of ways in which we deal with our criminals. Within that, the dangerous offender category has been very helpful.

What the Supreme Court said is that our approach to dangerous offenders is lawful and proper, and we will continue to use it.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, it is not a mosiac. It is a kaleidoscope and he is looking at the wrong end.

The government supports an open door policy of house arrest for drug dealers, rapists and child molesters. Dangerous offenders must be held in custody to protect the public from these predators.

Why does the government continue to pour hundreds of millions of dollars into a failed gun registry instead of passing laws and providing resources to police that would actually keep dangerous offenders in jail?

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I believe the Supreme Court has been very clear and it said that it was lawful and proper for us to use the dangerous offender category.

What it did set out for the courts were ways and means of approaching this and how to deal with it within the court system. We believe in that. It is very important, vital, that we use the dangerous offender category to protect our citizens.

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[*Translation*]

CINAR

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, another mysterious case involving the government is the CINAR affair. Our information indicates that the government has received a damning report, but is refusing to follow up.

Will the government tell us whether or not it received a report on the CINAR affair from the RCMP?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I do not know whether a report such as the one the hon. member is describing was in fact submitted to the government, let alone whether it is in the public domain.

However, I will find out whether that is the case and get back to the hon. member as soon as possible.

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, according to the same information, the RCMP report found that there were grounds for taking legal action against CINAR and its former directors.

Will the government tell us why no legal action was taken in this case? Who is blocking what?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, since I am unfamiliar with the alleged report and do not know whether it has been released, I can hardly comment on its content when I know nothing about its existence.

Of course, I will inquire about it, as I just told the hon. member I would, in order to give him an answer as soon as possible.

[*English*]

NATIONAL DEFENCE

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, this past weekend Canada was host to the president of Afghanistan, Hamid Karzai. He was here to secure our commitment to send more troops to help his wartorn country. However only days before the visit, Canada's chief of defence staff said that the Afghanistan mission was stretching our military to the point that we may not be able to deploy troops overseas for up to 18 months after its completion.

Why did the Prime Minister waste the president of Afghanistan's time when he knew full well that due to the former finance minister's cuts, Canada simply did not have any more troops?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, 2,000 troops is a very substantial contribution, representing 40% of the ISAF contribution. Mr. Karzai came here, I was at the meeting and was grateful to Canada for providing 2,000 troops.

Not only that, but for the first time in many years Canada is providing a three star general to lead that mission. We are providing $250 million in aid to that country. We are focusing on Afghanistan. We are making a major contribution on several fronts, and this was recognized by President Karzai.

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Yes, Mr. Speaker, but my question dealt with a year down the road.

If Canada is to extend our year long commitment to provide peacekeeping troops in Afghanistan, a decision needs to be made now to begin the planning and the preparation. For the current holder of the title of Prime Minister to state that Canada will not consider sending troops until our current 12 month deployment ends, is simply not practical.

Has the defence minister discussed the Afghan request with the real Liberal leader, and if so, what was his response?

● (1435)

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, the hon. member should be aware that the principal focus of the government at this time is on the very important mission in Afghanistan. We are only a month or two into a 12 month mission. This is my highest priority. We are sparing no money and no effort to ensure the success of this mission. We have just been told, we have insisted upon the fact and they have accepted it, that a Canadian will be leading this mission in February.

We are thinking about what may happen in the future, but our primary focus is on the mission in which we are involved today.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, the government claims that in the Belledune matter we are asking it to intervene in an area of provincial jurisdiction, but this is not true.

Will the government admit that under section 35 of the Fisheries Act it has the power to intervene in and to suspend, for an undetermined period, a project like the one in Belledune, which could have a negative effect on fish stocks in this area? Will it admit that it indeed has the authority to act?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it is surprising that we are being asked to get involved in an area of provincial jurisdiction. The province has the complete authority and ability to determine if the emissions meet federal standards, as it did. No water from the plant will be discharged into the waterways; it is a closed circuit. We will continue to monitor this company and to play our role in accordance with our responsibilities and federal legislation.

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, according to the government, no pollution from the Belledune incinerator will enter the atmosphere. However, the only studies on this subject were funded by Bennett itself.

If the Minister of Fisheries and Oceans can obtain a full analysis of the project's impact, why does he not use section 35 of the Fisheries Act, which gives him the full power to act in this matter?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, we are confident in New Brunswick's ability to pass its own legislation and its own regulations. With regard to the fisheries, we looked into whether waste water was being discharged into the waterways. The company amended its applications and plans. This is now a closed circuit. So, no further investigation by the Department of Fisheries and Oceans is necessary.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, Aurora aircraft patrols are crucial to maintaining Canada's national sovereignty. Over the past decade the navy has seen a 54% reduction in the number of Aurora flying hours. To cope with this shortfall, the government is now looking to hire private companies to conduct patrols along its east and west coasts.

Why are the remaining 18 Aurora aircraft in such bad shape that the government is contracting out their mission and selling Canada's sovereignty?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, that question is a little weird. Here we have arguably the most right-wing member of a right-wing political party telling us that privatizing part of the job is to deny our sovereignty.

The government takes a practical approach to this. We have a coastline longer than any other country's. It is likely that a mix of traditional military, a mix of high tech, like radars and satellites, cooperation with fisheries and some use of the private sector will provide the best solution.

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, in 1991 the air force had 725 aircraft. Today it has 350.

We have to defend our country from deadly drugs like heroin, from snakeheads' illegal cargo, and terrorists, yet the government is passing the buck and handing its national security over to private operators. My question is, will the smugglers get a chance to bid?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, the Liberal Party on practical issues takes a practical approach. The opposition seems to be mired in ideology. The only problem with the hon. member is that he is mired in the wrong ideology because here we have a right-wing party mired in a left-wing ideology that says that any use of the private sector is a denial of our sovereignty. If you can figure that one out, Mr. Speaker, you are a wiser man than I am.

* * *

● (1440)

GOVERNMENT ASSISTANCE

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, my question is for the Minister of National Defence. He has already answered this question in a very fulsome way, but I am sure he would like to expand.

The maritime and Atlantic provinces have been hard hit by hurricane Juan. What is the government doing to help the maritime and Atlantic provinces cope with the effects of this hurricane?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I thank the hon. member for a very intelligent question. I have answered that question, but I have new information because between the first question and now, new information came to light.

I had earlier reported that there would be at least 200 Canadian Forces personnel in Halifax helping to clear the debris. I have since been informed that we will have 600 Canadian Forces personnel on the streets of Halifax.

* * *

NATIONAL DEFENCE

Mr. Gary Schellenberger (Perth—Middlesex, PC): Mr. Speaker, the Minister of National Defence recently stated:

> In light of the impending change in government and the uncertainties in the next few months, I don't think now is the time to make a big pitch for additional long term base funding.

We have an exhausted navy, submarines that will not float, Hercules that cannot fly, Auroras that cannot patrol, army trucks that will not run and Sea Kings almost as old as the minister. Is he telling this House that the present Prime Minister is responsible for these problems in the military and that his new leader will cough up enough funds to fix them?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, let me, from that long list, take the question of the Hercules. I am indeed seized of that matter because the Hercules is the workhorse of the military, critical for domestic and overseas missions. I have told the military to do whatever it takes, insource, outsource, buy, lease or rent, in order to increase the serviceability of our Hercules, which that are critical.

We have had several meetings, including one today. I am happy to report that as a result of decisions taken at that meeting we have had a 50% increase in plant serviceability per year—

The Speaker: The hon. member for Perth—Middlesex.

Mr. Gary Schellenberger (Perth—Middlesex, PC): Mr. Speaker, we know the Minister of National Defence wants to wait for the new leader to take over so there are sufficient funds to buy spare parts or to allow the air force to patrol our coasts and protect our sovereignty. Now the Minister of Public Works is thinking about the member for LaSalle—Émard's comment that our new helicopters must be absolutely the best helicopters for the money, with the greatest capacity.

Will he tell this House how much this reversal in policy will cost the government and how much further the delivery date will be pushed back?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I might advise the questioner that it is not always a good idea to ask a question containing five components because it allows me to choose any one of the components that I choose to—

Some hon. members: Oh, oh.

The Speaker: Order, please. I am sure the Minister of National Defence is very appreciative of the helpful comments and suggestions coming to help him address the question, but we have to be able to hear his answer, whatever it may be. The minister has the floor. I ask hon. members to listen to the answer from the minister rather than make their own suggestions.

Hon. John McCallum: Mr. Speaker, choosing from the myriad of issues raised by the hon. member, I would point out that the budget increase of $800 million in base funding has gone a very long way to sustain the military. Indeed the sustainability gap is in the process of being closed.

To give one example, the member mentioned spare parts. This year alone there is a $221 million increase in our budget for spare parts, which is having an excellent effect on the military.

* * *

GOVERNMENT ASSISTANCE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, hurricane Juan has devastated citizens and communities of Prince Edward Island and in the Halifax regional municipality. Electricity, communications and transportation have been brought to a halt. Two lives have already been lost, thousands have been evacuated and many citizens remain vulnerable.

I want to ask the defence minister responsible for emergency measures to assure Haligonians and Islanders that federal equipment, such as generators, and army reserves and naval personnel will be deployed to the fullest possible extent to help with reconstruction and to keep our citizens safe.

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I know the hon. member is very concerned as she comes from the region. I know as well that some of my colleagues such as the Minister of Fisheries and Oceans and the member for Halifax West have been in conversation with the mayor of Halifax. We are all working together on this matter in a non-partisan way.

I have given my two provincial counterparts from Nova Scotia and P.E.I. my cell phonenumber. I have told them to call me anytime if they have more needs. At the moment, they say we have met every need that they have, but I have told them we have generators and to call me if they need them. We are working in a spirit of excellent partnership and in a collaborative way.

* * *

● (1445)

CANADA ELECTIONS ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, the new Liberal leader thinks that democracy should only be for Liberal MPs and not for the voters of this country. The government House leader thinks his own personal distaste for proportional representation is a good enough reason to deny voters a chance to tell us what they really think.

Tomorrow Parliament will have its first vote in 80 years on proportional representation. I have a simple question for the Deputy Prime Minister. Can he tell voters why they do not deserve to have a say in whether or not they want to change our voting system and bring us into the modern world?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, experiments with how we function in our democracy are always of interest and actively debated.

One of the advantages of a federation is that very often new ideas can be tried out at the provincial level. I wonder whether the hon. member has ever thought of proposing to the NDP government in Saskatchewan that it try proportional representation in that province and we will see how it works before we try it at the federal level.

* * *

LIBERAL GOVERNMENT

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, today we have the Public Service Commission's report on the Radwanski affair saying that nepotism and cronyism are rife within the public service. Last week it was Boyer and Theberge running up massive expense accounts without supervision. Over the summer it was Allan McGuire and Paul Cochrane who were found to be on the take because no one was minding the store.

It sure looks like the government is corrupt. Who on that side is going to take responsibility for this Liberal culture of corruption?

[*Translation*]

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, as is his wont, the hon. member for St. Albert is greatly exaggerating, particularly in terms of his choice of words. This destroys any credibility, including that of parliamentarians.

The Public Service Commission reports directly to Parliament, as does the Privacy Commissioner, an officer of Parliament. Therefore, I think that my hon. colleagues from the Standing Committee on Government Operations and Estimates will carry out the appropriate follow-up to these reports, which have now been tabled.

[*English*]

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, the Public Service Commission said during the summer that 20% of all summer job appointments in the government are rigged. Public servants are stuffing themselves at taxpayers' expense. Corrupt public officials are lining their own pockets with taxpayers' money. There are crooked contracts at public works. Now we find nepotism, cronyism and favouritism by the Privacy Commissioner. We cannot forget that there are police investigations everywhere. The smell of corruption is getting stronger every day.

With a new leader of the party on his way, can we expect business as usual or more corruption under his leadership?

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, with all due respect that I have for my colleagues from all parties on the government operations committee, their approach differs from the approach of the member for St. Albert completely. They make a judgment based on fact and not on rumours or anything else. I would encourage the member for St. Albert to follow the example of his colleagues on the government operations committee and not use those kinds of words as that is very bad for the credibility of everyone in this country, including Parliament.

* * *

[*Translation*]

CANADIAN GRAND PRIX

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, the Minister of Justice's response to a suggestion by the Bloc Quebecois to save the Montreal Grand Prix was to reject the idea of using public funds to compensate the racing teams. Yet it seems that industry is heading toward that solution.

Given this new development, does the government not feel the need to send industry a clear signal that it too is prepared to do its part?

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the Government of Canada, along with the Government of Quebec and the City of Montreal, has spared no effort to find a solution to keep the Canadian Grand Prix in Montreal.

There is no question at this time, however, of the government investing in this. If the private sector wishes to do so, however, it is welcome to. We will be very pleased to assist it in doing so.

● (1450)

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I would remind the secretary of state that the federal government stands to lose a lot of money in GST alone. I would also remind him that the only idea everyone is supporting at this time is for a temporary, two-year, transition fund.

Does the government not feel it is imperative to send a clear message that, if industry does its share, the government is prepared to do the same, in order to save the Montreal Grand Prix and the $80 million in economic spinoffs that go with it?

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, as I have said, there is no question of our abandoning the Formula 1 Grand Prix. We do, however, have rules and laws we need to apply, and we will continue to apply them, as the minister who was responsible for this matter, the Minister of Justice, has done from the outset on behalf of the government.

As I have also said, however, we are very interested. Should the private sector wish to invest, we are very open to this and hope that we can find a solution, in conjunction with the Government of Quebec and the City of Montreal, to keep the Canadian Grand Prix in Montreal.

* * *

[*English*]

CITIZENSHIP AND IMMIGRATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, today we have another revelation about how the Liberals rip off immigrants. First they have done nothing to stop the bogus visa school racket. Now we find that even though visa processing fees are supposed to be based on cost recovery, they have not bothered to find out what the costs really are.

Through access to information, the government had to admit it does not actually have details of processing costs. It seems the Liberals simply use visas as a cash cow on the backs of people Canada wants and needs. How can the Liberals justify such unfair practices?

[*Translation*]

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I find it somewhat regrettable that one would speak ill of a program that is extraordinary for the students who come and share the Canadian experience and at the same time is an investment in a relationship between two countries, eventually.

Therefore, the Government of Canada is looking to invest more. We must find a program that fits the need, but we do want more international students and we will take the necessary steps.

[*English*]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I do not think the minister even heard the question. He certainly did not answer it.

Access to information requests are supposed to be answered promptly to provide Canadians with a truly open and transparent government. Yet it took the minister nearly two years to sheepishly admit, "The total cost of each visa section around the world is presently unknown".

If the Liberals do not have a clue about how much their slow and sloppy visa processing system costs, then how do they know how much to charge visa applicants and immigrants?

[*Translation*]

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, once again, I find it sad that the opposition continually attacks our front line workers, whose role it is to ensure that people take full advantage of this kind of program.

The government is doing an outstanding job in that respect, and so are the people at the visa offices. Of course there may be delays, but I think that overall we are a model for the rest of the world.

* * *

[*English*]

CANADA POST

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, I was pleased to hear in July that Canada Post and the Canadian Union of Postal Workers had reached tentative collective agreements. Could the secretary of state responsible for Canada Post please inform the House on the status of these tentative agreements?

Hon. Steve Mahoney (Secretary of State (Selected Crown Corporations), Lib.): Mr. Speaker, all members and all Canadians will recall the on-again, off-again threat of a postal strike this summer. I am pleased to tell the House that Canada Post and the Canadian Union of Postal Workers have just announced the ratification of two collective agreements. This includes a four year contract for urban postal workers and a separate eight year contract for rural and suburban mail carriers, who will become employees of Canada Post.

I am sure all members will join me in congratulating the leadership of the union and the corporation for this historic agreement. Canadians can now be assured of four more years of uninterrupted postal service as well as other things.

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CITIZENSHIP AND IMMIGRATION

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the immigration minister must answer why Chinese citizens were betrayed by his officials and became subject to torture or worse by Chinese police.

These residents of China provided evidence in the Lai immigration hearing in Vancouver through a Canadian lawyer. The minister's officials promised confidentiality to protect them. Unbelievably, the minister turned around and betrayed the identity of these trusting witnesses.

Why does the minister's word mean nothing?

● (1455)

[*Translation*]

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I would rather not say anything than engage in personal attacks. When matters are before the courts or when a procedure is under way, it is certainly not the place of the Minister of Citizenship and Immigration to make public the details of the procedure.

[*English*]

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the minister has put people's lives at risk and now he is hiding behind a pending court decision, but the issue of the betrayal of Tao Mi and others by the Canadian government is completely separate from the issues before the court.

I am simply asking why the minister betrayed Tao Mi and other witnesses in absolute breach of undertakings by his department. What is the minister now going to do to protect Tao Mi and other Chinese witnesses?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, my answer is pretty clear. When it is pending in court and when there is a process, we on this side of the House believe in the state of the law. I am not going to comment any further and I am not going to get involved in those kinds of personal attacks.

* * *

[*Translation*]

PSYCHOLOGICAL HARASSMENT

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, despite the policy and regulations in effect in the public service, psychological harassment remains a reality. Studies show that 21% of public servants are still subject to harassment. In fact, this figure may even be higher than 30%.

What concrete steps does the President of the Treasury Board intend to take in order to end psychological harassment affecting 21% of public servants?

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, in the Public Service of Canada, we have a policy of prevention, a policy against harassment. Following a survey of public service employees, we have had to revise that policy.

Now, along with bargaining agents and union representatives, we have embarked on a period of training and raising awareness, all across the public service, in order to reach the goal of completely eradicating harassment in the Public Service of Canada.

[*English*]

MULTICULTURALISM

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, my question is for the Secretary of State for Multiculturalism and the Status of Women. Today Statistics Canada released the first ever ethnic diversity survey in Canada. Could the Secretary of State tell the House how this survey will better inform public policy for Canada?

Hon. Jean Augustine (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, I thank the member for his interest and also I thank all those who have noticed that today we did something that is a milestone in the history of our country, that is, a study of ethnicity in Canada. It will provide us with groundbreaking research about Canadians, especially ethnocultural communities. It tells us about their cultural heritage, their family background, their knowledge, their use of language and their economic activities.

This survey will help to us to understand the effects of people's backgrounds on their participation in Canadian society and how ethnicity and diversity affect—

The Speaker: The hon. member for Windsor—St. Clair.

* * *

ENERGY

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, as early as tomorrow the cabinet may be asked to make a decision to commit $2.3 billion to the ITER nuclear fusion project, a project that will not create any new energy for at least 30 years. ITER will in fact be a huge net energy user for decades to come.

For the finance minister, why, if the government has billions of taxpayer dollars to spare on a project with no tangible benefits to Canadians, will the minister not scrap the ITER subsidies and redirect the money, which appears to be available, toward cost-effective, clean and safe renewable energy programs?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the Minister of Natural Resources is looking carefully at this proposal and has consulted broadly with affected communities. Obviously it presents an opportunity for important long term scientific research, but it has to be examined very carefully because it is a major financial commitment. The government will continue studying it and come to a conclusion when all the facts are at hand.

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AGRICULTURE

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, every day the crisis in Canada's cattle industry deepens, pulling down more and more Canadian families.

The U.S. border is still closed to all trade in cattle and open to only a small fraction of the beef industry. One of the issues stopping progress on getting the U.S. border open to our Canadian cattle is the refusal of this government to open our borders to U.S. cattle.

The industry is calling for action, the Canadian Cattlemen's Association is calling for action, and the minister has even promised some action.

What steps has the minister taken to eliminate this hurdle to open trade in cattle?

● (1500)

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the Canadian Food Inspection Agency along with the Ministry of Health and the industry continue to review the situation the member is asking about. It is a risk assessment based on health and the concern about disease coming into Canada from the United States. We have had some pilot projects on this. We will continue to monitor it and continue the risk assessment.

I also want to remind the member that he should be thanking the government for getting the border open to the extent that we have. We have now had 27 million pounds of Canadian meat and beef move into the United States already in the month of September.

* * *

[*Translation*]

EMPLOYMENT INSURANCE

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, on October 1, the interim measures put in place by the federal government during the implementation of the new employment insurance regulations will expire for the Gaspé Peninsula, North Shore and Saguenay—Lac-Saint-Jean regions. Without these transitional measures, hundreds of seasonal workers will no longer be eligible for benefits.

Will the Minister of Human Resources Development admit that the negative effects of this government's cuts to employment insurance must be alleviated? These transitional measures must be extended to take into consideration the socio-economic context experienced by these regions, where seasonal workers—

The Speaker: The hon. Minister of Labour.

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, as a native New Brunswicker, I am aware of the need for HRDC to make a decision. I want to tell the House and Canadians, especially those in Quebec and New Brunswick, that discussions are underway and that a decision will be made soon.

* * *

[*English*]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Tyronne Fernando, Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka.

Some hon. members: Hear, hear.

The Speaker: I would also like to draw to the attention of hon. members the presence in the gallery of the Honourable David Lokyan, Minister of Agriculture of the Republic of Armenia.

Some hon. members: Hear, hear.

The Speaker: I should also advise hon. members that today in the Ladies' Gallery we have several Special Olympians, coaches and managers who participated in the 2003 Summer Special Olympic World Games held in Dublin, Ireland. On behalf of all hon. members, I would like to recognize and applaud their efforts.

We are all very proud of all that you have done.

Some hon. members: Hear, hear.

● (1505)

The Speaker: The Chair has notice of a question of privilege. The hon. member for Fraser Valley will be putting the question to the House.

* * *

PRIVILEGE

PUBLIC SERVICE COMMISSION REPORT

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, I rise on a question of privilege regarding the release of the Public Service Commission report on the behaviour of the former privacy commissioner, which was released today at 1 p.m.

Members were to be briefed on the report in a lockup at noon and members of the media were briefed one hour earlier at 11 a.m.

I have two points. First, the report should have been tabled in the House before it was released to the public. Second, members should have been briefed before the media was.

The Public Service Employment Act, subsection 47(2), which deals with reporting to Parliament, states:

> The Minister designated by the Governor in Council under subsection (1) shall cause the report and statement referred to in that subsection to be laid before Parliament within fifteen days after the receipt by the Minister thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that either House of Parliament is sitting.

While that section refers to the annual report, I would argue that all reports should be tabled first in the House of Commons before being released to the media and the public, particularly when they involve an officer of Parliament and a former officer of Parliament.

To do anything else is an insult and an affront to the House. Parliament appointed the former privacy commissioner and any report involving his activity while he served Parliament should be tabled in Parliament before being released to the public.

On March 15, 2001, the Speaker ruled on a question of privilege regarding an incident whereby the media was briefed on a bill before the members of Parliament.

In your ruling on that matter, Mr. Speaker, you said:

> In preparing legislation, the government may wish to hold extensive consultation and such consultation may be held entirely at the government's discretion. However, with respect to material to be placed before parliament, the House must take precedence....The convention of the confidentiality of bills on notice is necessary, not only so that members themselves may be well informed, but also because of the pre-eminent role which the House plays and must play in the legislative affairs of the nation.... To deny...information concerning business that is about to come before the House, while at the same time providing such information to media that will likely be questioning members about that business, is a situation that the Chair cannot condone.

In this case we also have material to be placed before Parliament. It contains information about a former officer and may very well have an impact on our future role in appointing the next privacy commissioner. The contents of the report should have been tabled in Parliament and members should have been briefed before the media was.

Not having that before us here today means that as we exit this place even now, while media have been briefed and we have not yet seen the report, we will be trying to answer questions on something the media has been briefed on and we have not even seen yet.

If you find, Mr. Speaker, that this is a prima facie question of privilege, I am prepared to move the appropriate motion.

The Speaker: The Chair thanks the hon. member for Fraser Valley for his assistance. My immediate concern is that I note the member did not quote the section of an act pursuant to which this report would be required to be tabled in Parliament. I will be looking at this issue as part of my consideration of the matter. Certainly if the hon. member is able to glean any information in that regard, I would appreciate hearing from him, either here in the House or he can communicate directly the name of the statute and the section on which he relied.

Certainly I will be looking into that aspect of the matter, because tablings in the House are normally done pursuant to requirements laid out in an act of Parliament or a direct order of the House. I do not think he is suggesting there was an order of the House in regard to this matter, but we will be looking to see if there is a section of an act of Parliament that requires this particular tabling. Any assistance he can provide the Chair in that regard would be appreciated. I will certainly be looking into the matter. I thank the hon. member and I will take the matter under advisement.

ROUTINE PROCEEDINGS

● (1510)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to six petitions.

PETITIONS

MARRIAGE

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, it is an honour to present a petition on behalf of a number of constituents from Kelowna.

They pray that the Parliament of Canada does everything it can to pass legislation to recognize the institution of marriage in federal law as being the voluntary lifelong union of a man and a woman to the exclusion of all others.

I heartily endorse the petition.

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, I am pleased to present two petitions, totalling 200 signatures, from my constituents of Okanagan—Shuswap who wish to draw to the attention of the House that marriage is the best foundation for families and the raising of children.

They also want to remind the House that it passed a motion in June 1999 that called for marriage to continue to be defined as the union of one man and one woman to the exclusion of all others.

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

* * *

QUESTIONS ON THE ORDER PAPER

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

AN ACT TO AMEND THE CRIMINAL CODE (CRUELTY TO ANIMALS)

The House resumed from September 25 consideration of the motion in relation to the amendments made by the Senate to Bill C-10B, an act to amend the Criminal Code (cruelty to animals).

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, once again, here we are speaking to Bill C-10B. Of course, the first speech I made on Bill C-15B established that we had proposed a number of amendments, unfortunately rejected at the Standing Committee on Justice and Human Rights.

Fortunately, however—and it is rare for those of us this side to be able to say this—the Senate accepted the Bloc Quebecois amendments. As a result, it has been made possible at last to include the definitions of subsection 429(2) of the Criminal Code in this bill.

At last, all industries involved with animals, whether research, hunting or any other, now have a legitimate excuse to do what they have always done, while being totally secure about their dealings with animals.

This, as hon. members are aware, was necessary. In this connection, we congratulate the government for the progress made, despite the length of this process, to achieve the goal of animal protection. There will now be a new section in the Criminal Code. Animals will be struck off one section in which they were considered things. At last there is a section specifically on animals: 5.1.

It is not enough simply to look at what kind of a case an attorney might make. The definition of cruelty to animals was spelled out in a section. But now, there are legitimate means and especially means of defence under section 8 that are common law defences. It is in fact an explicit defence that is set out in the current legislation for anything regarding means of defence provided in section 429(2).

I commend the committee. Unfortunately, I could not attend all the committee meetings. At first, the Liberal members of the Standing Committee on Justice and Human Rights agreed with us on the amendments and the concept of having explicit defences.

As I said earlier, I do not understand why this was rejected. Unfortunately, I was not at the committee. What made the committee members change their minds on including these explicit defences? Was it the evidence they had already heard or the evidence from animal industry people who appeared before the Senate committee and are probably the same people who expressed their concerns at the House committee?

It was simple. If the Bloc amendments and my amendments had been accepted, Bill C-15B would already be passed. All this is a waste of time. Fortunately, the bill will be passed as desired.

I have a lot more respect for the members of the Standing Committee on Justice and Human Rights, because they openly said they were concerned the bill would not be explicit. It was based on a manner of saying that implicitly, there are defences. But it was clear in the section that explicit defences were being provided.

The legislator does not talk needlessly. If something is included in this section and was not consistent with section 8 of the common law, then the legislator was not talking needlessly. I have a hard time understanding why my colleagues voted against these amendments in the end. They said that section 8 of the common law applied implicitly. That is true, but why were defences included that are specific to section 429?

● (1515)

I tried to get explanations through the questions I was able to put to witnesses, who shared my concern. Fortunately, today, while the result is not ideal—the Senate did not include all the amendments put forward by the Bloc Quebecois—but the cornerstone, the most important aspect, that is the defence under section 429, was taken into account.

I must add that the Bloc Quebecois has supported from the start the creation of a new section 5.1 to protect animals and prohibit cruelty against animals.

I want to come back to committee work. Early on, we heard between 20 and 30 witnesses, who told us various things. They said they too wanted tougher penalties for cruelty in order to protect the animals. But what the husbandry industry wants most of all is the assurance that all they have been doing all those years will continue to be considered as defences. Naturally, these defences may be common law defences under section 8, but also be defences under subsection 429(2).

Witnesses answered our questions. A concern was expressed. If implicitly there were protected, why have wasted all these months before finally understanding? The government finally understood that, with respect to the rights explicitly provided for in the Criminal Code, no amendment was put forward to take them away, but to include them. We must realize that if the provisions concerning animals are moved to a new and separate section 5.1, I think it is clear and obvious that they have to be included.

I would be curious to know whether this was achieved through lobbying or if someone finally realized that implicitly and explicitly is not the same thing.

If today it is explicitly provided for under section 429, the credit goes to the Bloc Quebecois and myself, as the member for Châteauguay. I fought long and hard in committee to put that point across. Clause by clause, I took the time to explain that these amendments were necessary. Why were they rejected? That is incredible.

Today we are obliged to revisit this important bill, now amended, as it might have been earlier. That is why I mentioned the work of the committee. That work is interesting while one is doing it. When it comes to the clause by clause study, all the effort by the witnesses who came to make things clear and explicit is swept aside.

Some of the hon. members only attend for the votes and do not even listen to the witnesses. Why is that? Because they come to vote unanimously along the party line. But in this case, the party line was faulty. We can see that today.

By way of the Senate, this House is now ready to accept my amendments, including the very cornerstone.

How is it possible that these same hon. members, who are sitting today on the same committee, have gone back in time to when the bill was introduced, and now they have changed their minds? All the explanations have been given once or twice. During clause by clause study, these amendments were presented as well.

● (1520)

There was some logic. I recall the Minister of Justice of whom I asked questions on several occasions. He would rise and say, “To the hon. member for Châteauguay, I say it is implicit; the animal industry, the hunters, researchers, all the people concerned will be able to continue in the same way”. That was the minister's response.

But I prefer the response the minister is giving me now, because now it is clear. We will not be obliged to use section 8, the common law provision. It can be done using specific defences and it is sometimes necessary to use this article; that is obvious.

Still, in other specific cases, section 8 would not have made it possible to arrive at the same result. Luckily, section 429 will finally be included in the new section. Why is it important to include it explicitly?

First, it will ensure the support of the Bloc Quebecois, because this is a very important bill. We must protect these animals. We have all seen films of puppy and kitten mills, and the harm that can be done to animals. Unfortunately, we were in an uncomfortable situation. We supported the principle of amending the Criminal Code in order to provide for harsher penalties and to include a new section.

However, due to the government's stubbornness, we were forced to vote against it. Then, we were forced to tell our constituents exactly why we had done so.

During the speeches, people said, "Yes, you support the amendment and animal protection and the imposition of stiffer penalties. But why did you vote against the bill at that time?"

When we met people, we realized that even lobbyists for animal rights groups understood the amendments we wanted to make. The government wanted to do even more than people were asking it to do. The goal was to stop such cruelty. People came to my office and told me, "Sir, we agree with your amendments. People must realize that the entire House could vote in favour of such important legislation".

I never understood why, but there was an underhanded attempt to hurt the animal industry. I am pleased that lobby groups got involved, not just those wanting to protect animals from such cruelty. The entire animal industry, including producers and breeders, also wants to protect the animals.

They came to give evidence and said, "Of course we want people who are cruel to animals to be punished". People who are cruel to animals do not need protection. People sometimes know of a cruel neighbour but, because of this neighbour, the entire industry is perceived as being cruel to animals. Sometimes, the animals are raised, taken to slaughter and killed for food.

They were put in a situation where a group of individuals or a slightly zealous crown attorney could have brought charges against the animal industry, because the new legislation was flawed. There were no provisions to protect that industry.

It was simply and implicitly told, "You have the right to these means of defence". In Canada and Quebec, what would happen to researchers using rats and mice. There is a need, however, for this, and standards were established to ensure that animals do not suffer. This industry has strict standards and it respects them.

● (1525)

These people could end up facing prosecution. Why? Because of a poorly drafted piece of legislation which was missing a crucial element, namely providing specifically for these rights of defence.

I am very pleased to have the opportunity today to speak to these issues again, even though it should have been done earlier. I want to say a word about the power of those people who come to testify before a committee. This shows how important it is to come and meet the members to make them aware of various specific aspects. Those who came before our committee know a lot more about animals than the 301 members do. There are perhaps some members in the House who work with animals, but they are not the majority. I am not one of them since I am a lawyer. I do not know a lot about animals, but I do want to protect them.

We obviously need a solid piece of legislation. Now, with more specific provisions regarding the rights of defence, attorneys will have more forceful arguments when they go to court because the rights of defence are specified. Prosecutions will then focus on those people who really are cruel to animals. This important bill has more teeth. It provides for stiff fines and possible imprisonment. It also provides for follow-up.

This raises awareness, especially if such a bill has the unanimous support of the House.

I heard my colleagues from the Canadian Alliance say that they were against this bill, just as I did when it was not clear enough. I want to remind my Alliance and Bloc colleagues of the work that was done to vote against this bill when it was poorly drafted. However, I supported this particular aspect because it was important for the animal industry throughout Canada and throughout Quebec. I now hope that government members understand that.

On such a technical issue, that was the way to go. It was up to the members of the committee not only to talk to the justice minister but to make their colleagues understand how crucial this was. Surely there are members who represent rural regions where animal industries can be found or urban areas where research companies, pharmaceuticals companies and other companies using animals for research purposes or simply for providing food are doing business. Hunters should not be forgotten either. These people have rights, and not only vested rights. We should avoid referring only to "vested rights". In a society like ours, in 2003 and soon 2004, we have to be able to say that cruelty to animals is now prohibited.

Why should this bill now be agreed to by everyone? Why should it be unanimously passed in the House? Because the implicit defences are now explicitly recognized. The time has come to send a clear message to everyone. I know that the animal industry will now support this bill, just like the Bloc Quebecois and hopefully the Canadian Alliance and the Progressive Conservative Party.

The House should overwhelmingly support this bill in order to send a clear message to the public. Cruelty to animals is over. I hope that the penalties will be tough enough and that we will have the money to fully prosecute lawbreakers.

● (1530)

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, I want to thank my hon. colleague who just completed his remarks. I would just like to point out that we would have a better chance for unanimity if we were to support the amendments brought forward by our colleagues from the other place, as the hon. member mentioned.

[*English*]

I rise to oppose the very narrow and unusual motion that we have before us today and to urge the House to accept the amendments from the other place to Bill C-10B.

We have two legislative chambers in our system. This is the second time the House has considered amendments on this bill from our colleagues in the other chamber. That is very unusual. Insistence on amendments by the other house is not at all a common occurrence. When it does it, it has a reason for doing it. We have a duty to treat very seriously this unusual, non-partisan, principled initiative by the other chamber.

Two explicit mandates of the other chamber are highly relevant to this debate. One is the obligation to apply sober second thought, to look carefully and precisely, in a non-partisan way, at proposals which might be denied the careful attention they require in the House.

I note that these amendments are not at all partisan. They are supported by members of the Liberal Party in the other place, as well as by members of my party. Otherwise, they would never have been adopted because the Liberal Party has a majority in that other house, too. These amendments are driven by principle, not by partisanship, and so they should be here.

The other obligation of the other place is to protect minorities, in this case principally the aboriginal minority of Canada whose livelihoods depend disproportionately on hunting and fishing and who are faced with a double blow in the language the government insists upon.

First, the government's language calls into question again the practical existence of traditional rights which have existed from time immemorial, which have been upheld by the courts and have been affirmed by clause 35 of Mr. Trudeau's famous Constitutional Act of 1982. It is ironic that the present temporary Prime Minister desperately claims Mr. Trudeau's accomplishments as part of his own threadbare legacy in the Constitutional Act and at the same he insists on this language which dilutes those very constitutional guarantees.

Second, the government's language says perversely that if those traditional and established aboriginal rights are ever to be exercised, that can occur only after the immense expense of a trial and an appeal.

We are not dealing here with Power Corporation, Canada Steamship Lines or other wealthy corporations with tailor-made tax havens in Barbados. We are speaking of aboriginal people living on the most marginal of incomes. The double standard of the government could not be more clear.

The government is prepared to change the rules to give giant shipping corporations new tax loopholes and now it tries to change the rules to take away from low income aboriginal people, whose major income is through hunting, one of the few protections they enjoy.

The amendment proposed by the other place would stop that double standard, and I would hope members of this House would have the conscience to support that amendment here.

The parliamentary secretary stated on September 25, 2003 that this legislation has had a long journey. Indeed, it has. My party has been unequivocal in its support for improving and enhancing the Criminal Code provisions dealing with animals and cruelty to animals. However this has been a troubled bill precisely because for so long government ministers have failed profoundly to understand the realities of life in rural Canada. That has been a recurrent blemish on the government.

It is devastatingly evident today in the failure to provide effective help to farmers and to ranchers whose futures have been devastated by the BSE outbreak.

While the Prime Minister was in New York not talking to the one American who could speed up the full opening of the borders, President Bush, farmers and ranchers on the prairies were killing their cows because federal aid has been too slow at home and federal action has been ineffective in the United States.

Each time the House has rejected the amendments of our colleagues in the other house, they in the other house have sat down, considered the arguments of this House and refined the amendments. The amendments before us today are refinements and improvements to the bill.

● (1535)

Let us go back to June 2002. Members of Parliament from all parties were clearly concerned about the impact of the bill on traditional farming and ranching practices. There was concern that branding or castration of farm animals might be considered to be causes for charges to be brought against farmers and ranchers.

The *Edmonton Journal* reported on June 4, 2002 that the current government promised, “to consider future amendments to parts of animal cruelty legislation”. The Minister of Justice averted possible trouble by agreeing “to look favourably on Senate amendments to the bill”. It was later reported that while the government did not intend to bring in amendments in the other place, the justice minister “would consider carefully an amendment if the Senate passed an amendment”.

Subsequently, the definition of animal proposed by the Senate has resolved some of these concerns. That amendment has been accepted by this House. The Senate is now proposing that the government drop its insistence on the defence that is defined as “killing without a lawful excuse” and substituting instead the words “causing unnecessary death”. It is intended to limit a blanket prohibition against killing animals.

We do not want to see farmers and ranchers charged with cruelty to animals for attempting to cull an epidemic of groundhogs on the farm or dealing with predators. Real life is more complicated than the laws we write here and our laws must reflect the reality which ordinary Canadians have to face as they earn their livelihoods.

Rather than having aboriginal people continually seeking redress of the courts to prove their rights, the amendment, which the government proposes to reject, would clarify that no aboriginal person would be convicted of an offence if the pain, suffering, injury or death were caused in the course of traditional hunting, trapping or fishing practices, provided that any pain, suffering or injury caused was no more than is reasonably necessary in carrying out traditional practices.

The Senate amendment, be clear about this, would not create any exception that would allow an aboriginal person to commit cruelty against an animal. In fact the Senate felt it would be in accordance with section 35 of the Constitution Act of 1982 to give aboriginal peoples an opportunity to exercise their constitutional rights that protected traditional hunting and fishing practices without fear of being arrested and unfairly accused of cruelty to animals. In other words, the rights of the aboriginal people would be recognized at the moment of the arrest rather than after a Supreme Court decision over an appeal of a conviction.

The House of Commons now has the opportunity, as the courts have done for 20 years, to do everything it can to ensure that federal laws protect the rights of aboriginal people. In the other place our aboriginal colleagues argued passionately that here was an opportunity to protect aboriginal hunters who were trying to earn a living to feed their families.

The government has made a point of naming aboriginal Canadians to the other place. Presumably that was not just for window dressing. Presumably it was because they knew those aboriginal members of the other place would bring their special knowledge and that they would be listened to by members of both Houses who were not aboriginal, who did not have that experience.

If that is so, I ask the House to listen to what our colleague Charlie Watt said in a standing committee in the other place on legal and constitutional affairs. He said:

> Many of the traditional tools utilized by Aboriginal people—especially the Inuit in the far north—are for conservation purposes so that time, energy, and wildlife are...not sufficiently covered by law in terms of recognition of those traditional activities—perhaps even to the point that the lawmakers do not understood them well.
>
> For that reason, we made a sincere attempt to move an amendment such that an Aboriginal person, if charged, would at least have a reasonable defence to rely on. We do not have many provisions in law that are clearly made for Aboriginal people to protect themselves...

Thus spoke an aboriginal member of the other place, appointed because of his special knowledge by this government. What the government is proposing in this motion is to strike away one of the few specific protections that our colleague Charlie Watt, in the other place, has just referred to.

The government is arguing in its rejection of the amendment that there is no clarity as to what traditional practices are in the criminal law context and that the police would be confused in laying charges. We all know that training has been provided to police in other cases of complicated legislation regarding, for example, organized crime and law enforcement.

● (1540)

Justice Canada could easily offer to train police officers in cultural awareness of traditional aboriginal activities. It would not be a big challenge. It would not have to train officers in Toronto, or Vancouver, or Montreal, or Winnipeg or Calgary where no one claims an aboriginal right to hunt. The choice is simple. Do we train a few officers or do we impose an unfair burden on whole populations of aboriginal hunters?

[*Translation*]

The fourth amendment was to restore the element of colour of right that is currently applicable to criminal property offences.

The amendment put forward by the other place stipulated, and I quote:

> No person shall be convicted of an offence under this Part where he proves that he acted with legal justification or excuse or with colour of right.

This seemingly complex defence is defined as follows: in R. v. Watson, the Newfoundland Court of Appeal said, in 1999, that the colour of right is the honest belief in a state of facts or law which, if it existed, would deny the existence of a guilty intent to commit a crime, meaning *mens rea*.

That is currently stipulated in section 429(2) of the Criminal Code.

Up until last June, the justice minister had rejected this amendment, arguing that it would reverse the onus of proof and require the accused to prove his or her innocence beyond the balance of probabilities.

In the Watson case, both parties had agreed that the colour of right would not call for a reverse onus.

However, in its second message to the House of Commons, the other place decided to reintroduce its amendment, since the members of its Committee on Legal and Constitutional Affairs had agreed that the phrase “to the extent that they are relevant” was a pointless and unjustified attempt to limit the colour of right, which could eventually hurt some defendants or lead to unjustified convictions.

● (1545)

[*English*]

Members of the other place have debated this issue thoroughly. We should very seriously consider accepting those amendments. We should not provoke an unnecessary fight between chambers over these measures simply because their common sense and good judgment disagrees with the drafter's preferred by the government of the day. It is not often that the other chamber insists on its amendments, and we should consider carefully the reasons why it has done so today.

Canadians want improved legislation to deal with cruelty to animals. This type of legislation has broad ramifications and the Senate amendments clearly improve the bill, providing a balance between protecting animals and protecting the livelihood of Canadians. We should accept these amendments and get this legislation working to deal with genuine cases of cruel treatment of animals.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I too would like to add some comments with respect to this bill.

The debate regarding the bill has had a long and tortuous history. It began as part of an omnibus bill. What the Liberals were trying to do was to embarrass people into voting for the bill. If one did not vote for the bill, one was against things like the protection of children or mechanisms to ensure that police officers received additional protection. They put firearms legislation and the cruelty to animals legislation all in one bill.

Of course it was a complete subversion of transparency in the House of Commons. In fact the Liberals did not want Canadians to know what was going on in the House. Yet the Canadian Alliance stood firm on this issue and indicated that amendments needed to be made specifically to the animal cruelty sections.

I have stated before that the Canadian Alliance has been quite firm in its opinion that cruelty to animals cannot be tolerated and that indeed the penalties need to be increased to ensure that there is a proper deterrence. In fact I found it rather strange that I would be agreeing with the Liberals on that point because generally speaking the Liberals were trying to avoid criminal responsibility for criminals. Yet in this case they seemed bound and determined to push forward not only with respect to the issues regarding the additional penalties. What was a more troubling aspect of the bill was they were so willing to put criminal responsibility on to people who may not have the appropriate *mens rea*, that they were so willing to take away the time honoured statutory defences included in the legislation.

I found it curious that the Liberals were going to remove the legislation, the relevant sections from one part of the Criminal Code, where there were specific defences available to those who owned animals, and move them to another portion of the Criminal Code. The justification was that the bill was not changing any substantive issue, that what was illegal today would be illegal under the new legislation.

I found it a rather strange exercise after months, indeed years, of working on this legislation that all we were trying to do was put the legislation in exactly the same place in which we had left it. It made absolutely no sense. Of course, nothing could be further from the truth. This legislation fundamentally changed the defences available to farmers and others who had a legitimate interest protecting their livelihood.

One of the misleading aspects about the whole debate was that people who were pushing this legislation, essentially animal rights activists from larger urban centres who did not really have an understanding of the reality of farm life, stated that the reason people were opposed to the amendments was because they wanted to see covered horrific crimes being committed against animals. They told stories about cat skinnings, dogs being starved and tortured or otherwise abused or neglected. Of course that had nothing to do with the reality of the situation. The reality of the situation was that those kinds of horrible things, cat skinnings, hurting dogs and other animals were already illegal.

I am speaking as a former prosecutor and part of the problem as a prosecutor is that it is difficult to prosecute these kinds of offences because the victims often are not in a position to speak.

● (1550)

Therefore, it was not the fact that the law did not properly address those kinds of situations. It was that it was difficult to prosecute those kinds of situations.

What we saw of course were various groups carrying out a particular agenda. I want to quote some of these groups because it is crucial to understand where these groups were coming from.

A lawyer for the World Society for the Protection of Animals, Lesli Bisgould, said:

> In fact, the legal status of animals today is analogous to that of oppressed groups in society over the past century...the right not to be seen as a means to an end, the right not to be property.

Here we have an animal rights activist saying that animals are on the same level with oppressed groups of human beings from the last century. That is a disgusting thing to say about human beings.

We respect animals and we respect their place in our society. We respect their use by farmers and other legitimate organizations. But to suggest somehow that animals are an oppressed group, equivalent to the oppressed human beings of the last century simply is nonsense.

Even organizations as respectable as the Ontario SPCA said, in a 1999 recommendation to the justice department, that pets should:

> —become literally a part of the family and any abuse, wilful or otherwise, would be treated the same as abuse of a child.

We know that the Liberals do not put much effort into protecting children in this country. So maybe this is not saying that much about animals.

I happen to believe that we have a higher duty and standard toward children than we do with animals. And to equate, again, animals with children is a dangerous kind of statement to make. It degrades human beings.

What these kind of comments illustrate is the real agenda behind these amendments; that, in fact, they were designed to put those who make their living from farming and medical research at risk; that there would be a chilling effect in the area of agriculture, medical research, hunting, trapping, and in all of these legitimate activities; that people would be too frightened to know what was the right or lawful thing to do and they would be dissuaded from participating in these activities.

Indeed, we had one of the senior justice department officials testify before the committee and refuse to disclose how he disposed of rodents and other pests on his farm property outside of Ottawa. The suggestion being he did not want to land up in some kind of criminal charge.

When it comes down to being frightened to say in the House of Parliament and its committees how one can properly deal with rodents—and this is one of the chief law officers in Canada—how much more reason do farmers, medical researchers, hunters, trappers and others, have to have about the possible repercussions of these changes?

The Alliance was very strong in putting forward specific amendments that clearly set out the defences available. This kind of nonsense that it is not explicit, it is implicit and, therefore, the defences are there. That simply has no basis in law.

If I were a defence lawyer in court, I would stand up on behalf of my client and say, "Well, you know, your honour, in the other part where the offence used to be, there were some defences specifically set out and the government, for absolutely no reason at all, introduced a bill to move the offences from one part to another but left the defences in the other part. But, your honour, you shouldn't pay any attention to that change in the legislation. Those defences, although they existed explicitly in the other part, now can be read implicitly in the new part".

● (1555)

As a prosecutor, I could have stood up and said that is absolute nonsense. To think that Parliament would debate a bill and go to all this length of discussion to do absolutely nothing, makes no sense. The offences were taken out of the one part and put into another part. The fact that the defences were left in that first part obviously means that the law has been substantively changed.

I was pleased to support amendments that explicitly brought those defences into this new part. My colleague from the Bloc was very strong on that as well. We spoke together on that issue in committee and I appreciated his interventions in the course of those committee hearings. He did his constituents a good service and I believe that the Canadian Alliance spoke for its constituents in protecting their legitimate activities.

Now we have, as the member from the Progressive Conservative Party stated, certain other amendments that had been recognized as important by the Senate. These amendments have been brought forward on a non-partisan basis.

These are legitimate concerns that senators who have carefully followed the bill's discussions, made prior amendments, and brought it back to the House are now making additional amendments. They have brought these forward after conducting hearings. These are not major amendments to most of us living in urban areas. However, to those of us living in rural areas, those us who are living in the north, aboriginal hunters and trappers, these are significant amendments.

What I cannot understand and the question that I would like to leave this House in why the Liberal government is refusing these amendments is, why are Liberals so petty on this particular issue? The government's entire handling of this matter from beginning to today has been petty. Now we see another demonstration of that pettiness, that inability to bend to reasonable arguments being brought forward.

I am asking the minister on the other side to put aside the pettiness, pass this legislation as the Senate has amended it and let us move on. Let us give animals the protection they need. Let us give those hunters and trappers, farmers and medical researchers the assurance that they need that their activities are legitimate.

● (1600)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I also want to say a few words on the bill before the House. This is a bill has been before the House before. The bill was split into two parts, one dealing with gun control regulations and the other one dealing with animal rights and animal welfare. The bill was split in two parts by the Senate.

The NDP supports Bill C-10B in terms of the animal rights and the animal welfare part of the bill. We have made that clear before in debate.

What has happened in the other place is that the Senate decided to weaken the bill through amendments that it has sent back to the House of Commons.

This place is elected and members are responsible to the people of this country. The Senate is not elected and senators are not accountable. The Senate is not a democratic institution.

I believe the House of Commons should make amendments to bills and that it should be predominant in any kind of a standoff between the two Houses. I think that is very important.

It is very important that we do not get into the situation where we have a precedent built where the unelected chamber is able to send a bill back to the House with several amendments and the House does not return the bill rejecting those amendments.

There is no place in a democratic society for an unelected legislative institution. This is an institution that changes laws. I am sure, Mr. Speaker, that you are amongst the 90% to 95% of the Canadian population that does not agree that we should have the Senate as it exists today. About 90% to 95% of people polled have shown time and time again that they do not want to keep this unelected institution. I guess the 95% of people who are saying that are divided as to whether or not we should just abolish the Senate all together or whether or not we should have an elected chamber.

If we were to have an elected chamber, we would get into the debate as to what kinds of powers that particular House should have. I have seen this debate go on year after year. In fact, this was one of the big stalemates in the constitutional debate of 1981-82. It was also a big stalemate prior to Charlottetown.

I remember the negotiations of the House of Commons special committee that I had the privilege of sitting on for a number of months. The committee talked about everything in terms of the Constitution back in 1991, after Meech Lake collapsed in 1992-93.

We had the Beaudoin-Dobbie committee and the Beaudoin-Edwards committee. We dealt with the division of powers, the Charter of Rights and Freedoms, minority languages, and everything that was in the Constitution, an amending formula, et cetera. The most difficult issue we faced on that particular House of Commons all party committee was the question of the Senate, and what should be done about the other place. Everywhere the committee went people wanted to either abolish the Senate or have one that was elected that reflected the people of the country.

I am hesitant to accept amendments that come from the other place when it does not have a mandate from the Canadian people. In fact, the amendments that the Senate moved to Bill C-10B in terms of animal rights and animal welfare weaken the bill. We have had no changes in terms of animal welfare legislation since 1892. Here we have a bill that has gone through the House of Commons and it is now being weakened by the Senate.

I think the time has come where we do one of two things: we either reform and elect, with different powers, the other place, or else we abolish it. My position is very clear; we should abolish it. In fact, we had at one time five different provinces that had a senate or an upper house. If we were to go to Prince Edward Island and look at the Legislative Assembly in P.E.I., we could visit the chamber that was the upper house. It is the same thing in Quebec. In fact, Quebec was the last province that abolished its upper house. There were five provinces that had an upper house, but they do not have one today.

I believe we could take the original purpose of the Senate, which was the power of a check and balance on the House of Commons, and incorporate it into this place through parliamentary reform.

● (1605)

If we had stronger, more independent parliamentary committees, free election of chairs, the right of a committee to initiate its own legislation and bring it into the House, to timetable legislation, and fewer non-confidence votes, then we could bring the checks and balances, which the Senate is supposed to represent, into the House of Commons. If we were to do that, this place would be a much more democratic place and more representative of the people of the country.

We all know how exciting it is to see a free vote in private members' hour on a controversial issue but if we had stronger committees they would be able to take a stand more often in opposition to the Prime Minister of the country. I think that is the direction in which we should be going.

I have been open in the past to the election of the other place. In fact, I was a supporter of the Charlottetown accord and did a lot of work across the country campaigning for that accord on the "Yes" side. Part of that accord was a vision of an elected Senate with regional equality and greatly reduced powers. However, no matter how we looked at it, it became very difficult to come up with a configuration of the Senate that was accepted by all the Canadian people.

I noticed in a press release that the future prime minister, the member for LaSalle—Émard, still supports in principle the idea of a triple-e Senate as pushed by the Alliance, but it is very difficult to push the triple-e equality across the country when we give the same number of senators to Prince Edward Island, Quebec and Ontario. Prince Edward Island has 120,000 to 130,000 people and Ontario has 10 million or 11 million people but both would have an equal number of senators.

To change the Senate we would need a constitutional amendment which requires the agreement of at least seven out of ten provinces, representing half of the people in the country. The only way we will get agreement from Quebec, which has 7 million to 7.5 million people, with its distinct difference from the other provinces because of its language, culture and civil law, and the only way we will get agreement from Ontario to have an equal number of senators per province, is to have the powers in the Senate so radically reduced that it would become almost meaningless.

If the powers were so radically reduced then we would have a backlash in many other smaller provinces as to why bother at all. It is like the dog chasing its tail. It is a never ending story that I have seen during my 30 years in Parliament. It has been a never ending story since Confederation.

I am really surprised with the Alliance Party members. They always talk about smaller government, less government and too many politicians. If we had an elected Senate in the country we would legitimize the place immediately because they would be elected and have the same mandate as we have in the House of Commons. If we were to do that the expenditure on the Senate would not be the current $60 million a year. It would double or triple because senators would need riding offices, many more committees, facilities and services in order to reflect what their electors would be saying and put them on an equal par with the House of Commons.

We would then have another 100-plus politicians in the country. I do not think we need that. I think we can bring those checks and balances, that sober second thought into the House of Commons by reforming this place, by making sure our committees are meaningful, by having fewer confidence votes, by having fixed election days, fixed throne speech days and fixed budget days. We would take away some of the powers that are now in the Prime Minister's Office and Privy Council Office and distribute them around the House of Commons to all members, as all members of the House should be equal.

However that has not happened. I remember about a year ago reading the autobiography of John Crosbie who used to be the minister of transport. He wrote that one of the goals of Brian Mulroney when he came to office was to abolish the Senate. However when he became prime minister he came under pressure to appoint some of his friends to the Senate, and then more friends and more friends and he continued down the same old merry trail. The same thing has happened ever since Confederation.

We have people sitting in the other place, most of whom are decent and hard-working people, but some of them have abysmal attendance records because they are accountable to absolutely no one.

Mr. Brian Masse: In Mexico.

● (1610)

Hon. Lorne Nystrom: Yes, the Mexican senator, as my friend from Windsor said, but he was not the only senator with a terrible attendance record. Those people are accountable to absolutely no one.

The member for St. John's West, the House leader of the Conservative Party, knows that he is accountable to the voters in St. John's, Newfoundland. He knows he has to go back to St. John's and face the voters every three and a half or four and a half years.

An hon. member: Three years.

Hon. Lorne Nystrom: Yes, three years with those people over here. That does not happen with senators.

The Saskatchewan senator, Herb Sparrow, was appointed by Lester Pearson in 1967 or 1968 and he is still in the Senate, accountable to no one. He was not democratically elected and is accountable to no one. I do not think there is a place for that in a modern society.

With those comments I think we should keep the bill as it is. We should ensure that we pass through the House a bill that strengthens the protection of animals against cruelty and does what the House of Commons intended to do several months ago when we began this process.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I want to emphasize, in support of the Humane Society of Yukon, that it is very important that we do everything we can to pass this important bill as soon as possible.

Hon. Lorne Nystrom: Mr. Speaker, I have certainly said the same thing and underlined the same point. I am glad the member for Yukon made that very profound and detailed speech in support of the bill.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, when the hon. member was speaking he talked about animal rights and animal welfare. I have absolutely no problem supporting anything that helps animal rights and animal welfare.

However we must also realize that there are individual rights, human rights and human welfare that have to be taken into consideration.

I am not sure what the priorities are with the member's party. I would ask him two questions. First, when his current leader was selected he hired as a member of his staff an individual who was heavily involved in the animal welfare-animal rights movement. Within hours, not days, the pressure from members of his own party, not from the Alliance, not from our party and not from the government, but from his own party, inside and outside caucus, forced the leader to fire the individual he had hired. I am wondering how strong these people are on their stance when they do something like that.

Second, what is the member's position on the seal hunt on the east coast of Canada?

● (1615)

Hon. Lorne Nystrom: Mr. Speaker, my position on the first question is that I support the bill before us today.

The hon. member is speculating about why a certain person was not the chief of staff for the leader of the New Democratic Party. I guess it is just speculation on his part as to why that individual did not stay on as chief of staff, but I do support the bill before the House today.

In terms of the seal hunt, I support a seal hunt and I have taken that position for many years. I have been on the record many times in support of the seal hunt, just as I support hunting and fishing rights, not just for first nations and aboriginal people, but hunting rights under proper licence and proper permits for all Canadian citizens. I come from a small farm in east central Saskatchewan, so I grew up seeing people hunting and fishing over the years. I think I take a pretty balanced position on these issues.

The bill before the House today is not a radical bill. It is the first improvement, as I have said, since 1892 in terms of the protection of animals and I believe we should be passing the bill.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, how does the hon. member for Regina—Qu'Appelle feel his upcoming private member's motion would add to the issues that we have in this particular circumstance? We have the fact that the Senate has sent back an amendment and he has quite eloquently detailed the problems about that in a democracy. How could that be improved upon by a new system of democracy that has actually been adopted by most other industrialized nations?

Hon. Lorne Nystrom: Mr. Speaker, that gets into the debate the House will have tomorrow on proportional representation.

When we look at parliamentary electoral reform, I believe we have to look at it as a package. I talked today about some parliamentary reform, of getting rid of the other place. I also think we need to have electoral reform and change in the way members of Parliament are elected. It is very important that every Canadian's vote counts in this chamber.

I do not know if the House is aware but we are one of only three democracies in the world with more than eight million people that uses the pure first past the post system. It is us, India and the United States. In the last election campaign in the United States, Al Gore received 550,000 more votes than George W. Bush but who is the president? George W. Bush.

We have a system in this country that distorts the reality. The government across the way had 41% of the votes but it has almost 60% of the seats. The current Prime Minister had 37% of the votes back in 1997 and he had a solid majority. It was the same thing in 1993 when he had about 40% or 41% of the votes and a solid majority. We have minorities electing majorities.

In fact since 1923 we have had only three or four governments that have won with a majority, such as John Diefenbaker in 1958, but almost all majority governments are elected by a minority of the people and almost all the countries in the world have some form of proportional representation.

It is interesting that when the Soviet Union fell apart and the new countries in what was the Soviet Union looked for an electoral system, they looked at ours and at various systems around the world but not one of the them, be it Russia, the Ukraine or Poland, chose our kind of system, which is first past the post, because they did not feel it was democratic enough in making sure that every individual in the country was equally represented in terms of their vote counting. All of them chose some form of proportional representation. I believe that is the way we should be going.

We have some provinces, such as Quebec where Premier Jean Charest has said that in the election after next there will be a measure of PR in the election of the members to the Quebec national assembly. The same thing has been said in Prince Edward Island by Premier Binns, that they will take a serious look at PR down the road. It is the same thing in British Columbia by the premier in that province.

This is an idea whose time has come. If this House were to look at that, as well as at abolishing the unelected house, giving more powers to committees and more independence for this place, we would have a much better democracy for all.

● (1620)

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the legislation before us could cause tremendous problems for a number of segments in our society.

However, I would first like to comment on some comments made by the member for Regina—Qu'Appelle. He is a gentleman who has been around these hallowed halls for quite some time and is much more experienced than most people here. Certainly he can stand with anybody here in relation to his time and dedication in this honourable House. However his view and my view on the Senate are quite different.

I believe that the Senate does play an extremely important role. We can argue, and eventually we will some day, maybe sooner rather than later, about how the Senate is selected. Having said that, some of the best work done around here in relation to thorough analysis, in relation to sound second opinions, in relation to committee work, in relation to dealing with issues which the House of Commons cannot deal with, is done by the Senate. We could argue as much as we would like to as to how those people should be selected, and we will argue about that somewhere along the line, but we should never underestimate the type of sound second thought that comes from the people in the other place.

In this case, I believe its amendments are very legitimate. I listened earlier to the justice critic from the Alliance who made a very well reasoned speech on this very issue. I agree with everything the hon. gentleman said, as usual, as the Alliance and ourselves agree on practically everything. I believe the hon. member hit the nail on the head when he raised some concerns. We do not have to go any further than the first couple of paragraphs in the bill, and I will read them into the record:

> 182.2(1) Every one who commits an offence who, wilfully or recklessly,
>
> (a) causes or, being the owner, permits to be caused unnecessary pain, suffering or injury to an animal;
>
> (b) kills an animal or, being the owner, permits an animal to be killed, brutally or viciously, regardless of whether the animal dies immediately—

On the surface no one will argue with that. However my concern is that when the courts get a piece of legislation like this and when this legislation is tested in front of some sympathetic judge, I am not sure whether his or her interpretation and the interpretation we place upon it here will be the same. Therein lies major problems. This creates problems for farmers and ranchers, but in particular, it creates problems for people in the medical field.

Probably people sitting in this very House and certainly 95% of the Canadian public who are undoubtedly tuned in to CPAC to watch what we are saying and doing here in the House are able to turn on the television, to sit and listen, to walk, or drive their cars, or play a part in Parliament because of some medical advancements that were discovered or created by scientists and doctors who were able to experiment. Without that experimentation, which is usually done on animals, many of the cures, many of the antibiotics and anti-viruses and so on that have been found would not have been discovered.

● (1625)

Is there pain and suffering inflicted in experimentation? Undoubtedly there is. Is it right to experiment and cause pain and suffering? According to this resolution, on interpretation, a judge could undoubtedly say one cannot inflict pain and suffering. If that is going to ensure that experimentation cannot go on, I am not sure whose rights we are protecting and where the line is drawn. This is a very serious piece of legislation which cannot be allowed to pass if interpretation means by doing so we could be jeopardizing the lives of many people in our country.

Let me carry it one step further to practical happenings outside the experimentation field. What about ranchers and farmers who deal with animals in order to make a living? They are dealing with large numbers of animals and how they are handled in the branding and whatever, some people could interpret it as causing pain and suffering to the animals.

One might say everyone is broadminded enough to know what has to be done. That is not what we are talking about. We are talking about a piece of legislation which we know full well can be interpreted in the courts. People ask who is going to bring it to court. We know who will bring it to court: the animal rights people who will bring anything at all to court. If they have some legal framework in which to bring forth their arguments, it certainly gives them carte blanche to test any hypothesis.

Let me talk about one other issue and that is the seal hunt off the east coast and the north coast of Canada and especially off Newfoundland and Labrador. The seal hunt has been an issue that has drawn a tremendous amount of attention from the animal rights groups. Greenpeace and other animal rights and animal welfare groups, which are certainly too numerous to mention, have drawn a lot of attention, and I would suggest a tremendous amount of funding, to their causes by taking on the seal hunters off Newfoundland and Labrador.

The seal hunters are carrying on an industry that has gone on for years and years. These people subsidize their meagre income by participating in the seal hunt. They are doing something that the government refuses to do and that is to control the massive seal herds off our coasts. We have the same situation in northern Quebec. We have it in your own area undoubtedly, Mr. Speaker, and in particular off our coasts. Our seal herds are ballooning. They have increased sixfold in recent years.

Our fish stocks, our cod stocks and our groundfish in particular have practically disappeared. The people who list the species on the endangered species list are currently looking at placing the northern cod on the endangered species list.

The northern cod was the most prolific cod stock in the world. It was a cod stock that drew people from all nations to participate in the fishery. It was, as we say, load and go. When the cod were harvested using proper techniques, giving the fish a chance to grow and reproduce, the stock remained year after year for 500 years. Then technology caught up to it and governments weakened and we let people, countries, processors, individual harvesters and everyone go out and catch and catch until they got close to catching the last codfish using technology from which the resource could not escape.

Nobody cared. It was only fish and it was only Newfoundland and Labrador. It was only northern Quebec. It was only the Northwest Territories. Who cared? We are the fringes of the country. We are forgotten most of the time so no one paid much attention.

● (1630)

Suddenly people started to realize what was happening to a renewable resource that can create so much employment for the country, that can contribute so much to the coffers of the country. The current ground fishery in Newfoundland is practically non-existent. The fishery is still relatively good because of crab and shrimp, shellfish. Our landed value is more than it ever was but if we took out the shell fishery which was non-existent 15 years ago, the result would be nothing because our ground fishery has practically disappeared.

If we had maintained the ground fishery that we had in 1973 when all of these things started to collapse, if these stocks had been maintained, not even enhanced but maintained, the value of the 1973 landings in today's dollars would amount to $3.38 billion. That is significant. That is just groundfish. If on top of that we added the $1 billion or so that we take in on shrimp and crab, we would have an industry in Newfoundland and Labrador with a landed value at over $4 billion. Just imagine what that would mean to our province. Imagine what it would mean to the coffers of Canada.

One of the reasons our stocks were devastated was that the seals were not controlled. The pressure groups caused the cessation of the sealing industry and for several years the seal herds grew and grew completely unchecked.

The fishery has been reinstituted. However even though the minister, to give him credit, has over the last couple of years raised the quota, it is so minuscule. It is not keeping up with the growth in the seal herd. We still have six million to eight million seals eating the fish. People will argue that they do not eat codfish. A former politician made the statement that they do not eat turnips. What do they eat? They eat fish. We know they eat fish.

Consequently if the seal hunt is stopped or slowed down because of the animal rights groups, it is going to be devastating. If these groups have a piece of legislation that gives them the opportunity to run to the courts and say that the hunt is inhumane or cruel or whatever, and the judge making the judgment has never seen a seal or knows nothing about the seal hunt, then I would not want to bet the few dollars I might have on the decision.

It is a concern particularly for our people, but it is a concern for anyone involved in the resource industries, especially the animal resource industries across the country. It is a concern for people who experiment in the medical field who realize that in order to do the work that has to be done, to cure SARS, to cure AIDS, to cure cancer we have to experiment. If we are not going to experiment on animals, then I am not sure what the result will be.

We have concerns. We think the amendments will alleviate some of these concerns. Consequently, like the member for Provencher, I certainly will support the amendments and I ask the House to do so.

● (1635)

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. I declare the motion carried.

(Motion agreed to, amendments read the second time and concurred in))

* * *

CRIMINAL CODE

Hon. Paul DeVillers (for the Minister of Justice and Attorney General of Canada) moved that Bill C-46, an act to amend the Criminal Code (capital markets fraud and evidence-gathering), be read the second time and referred to a committee.

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, investor confidence is crucial to the life of Canada's capital markets and to our economy as a whole. American corporate scandals shook the credibility of global capital markets in 2001 and 2002. Multi-billion dollar accounting deceptions and other corporate scandals dominated international business media headlines during this period. Because of their far-reaching effect, these scandals have damaged investor confidence well beyond the American borders.

A survey conducted in 2002 revealed a dramatic drop in investor confidence following the collapse of WorldCom, with the majority of those surveyed believing that both the American and Canadian economies will continue to suffer as long as similar corporate misdeeds impact as they do on investor confidence.

In addition, a public survey in 2002 suggested that the majority of Canadians have lost confidence in the stock market and that Canadians show support for initiatives that are aimed at boosting financial transparency and stiffening penalties for those who transgress.

Currently, in partnership with provinces, regulators and law enforcement, the Government of Canada is working very hard to ensure the integrity of Canada's financial markets, although in the wake of recent American corporate scandals, the Government of Canada wants to make certain that this work will not only continue but is strengthened.

On September 30, 2002, the Speech from the Throne committed the Government of Canada to:

> reviewing and where necessary changing its laws and strengthening enforcement to ensure that government standards for federally incorporated companies and other financial institutions remain of the highest order.

The Government of Canada has committed to constructing a response that is tailored to investor and law enforcement needs. One aspect of Canadian law that had to be addressed was criminal legislation dealing with serious capital markets fraud.

The government has come forward with legislative enforcement measures to deter the would-be perpetrators from committing serious capital markets fraud offences, to facilitate the gathering of evidence against those who have committed serious fraud offences, and to ensure that those who are convicted of such offences are punished appropriately.

I am pleased today to debate Bill C-46, an act to amend the Criminal Code, dealing with capital markets fraud and evidence gathering. This bill represents the government's response to the criminal law dimension to market misconduct, a very important step toward restoring investor confidence in our capital markets and in our economy generally. As members will soon hear, and which will become plainly obvious, those who engage in capital markets fraud will face a significantly increased risk of being caught, charged, convicted and punished.

The key to deterrence is greater certainty of detection and prosecution and the prospect of appropriately severe punishment. We can therefore also hope and expect that an enhanced criminal justice response to market fraud will serve to dissuade many who might otherwise contemplate such unlawful conduct.

I would like to turn to the IMETs part of the bill. First, to strengthen the national enforcement presence pertaining to serious capital markets fraud offences, budget 2003 included $30 million in funding to create up to nine integrated market enforcement teams, or what we refer to as IMETs. These are composed of RCMP investigators, forensic accountants, and federal prosecution service legal advisers and prosecutors in Toronto, Montreal, Vancouver and Calgary.

These teams would investigate serious Criminal Code capital market fraud offences that are of national significance and involve publicly traded companies whose actions have posed a genuine threat to investor confidence and economic stability in Canada. These teams will make use of existing Criminal Code provisions and those in new measures in Bill C-46 once the bill is passed into law.

● (1640)

Bill C-46 addresses four key areas in particular: first, new offences; second, sentencing measures; third, concurrent federal jurisdiction to prosecute certain offences; and fourth, enhanced evidence gathering tools.

Our review of the Criminal Code in the light of the American response to the crisis in investor confidence showed that we already have strong and effective laws to deal with capital markets fraud, including an effective fraud offence and offences of obstruction of justice and for filing a false prospectus and so on.

What we did find was that there appeared to be two gaps. Bill C-46 would effectively fill those gaps. In particular, Bill C-46 would create new offences for, first, prohibited insider trading and, second, employment related intimidation aimed at deterring corporate insiders from reporting illegal conduct and assisting the authorities.

When insiders of corporations use their special access to material inside information that is not available to other investors in order to benefit themselves, the investor confidence that is required in order to sustain the credibility of our vital capital markets can be seriously undermined. This activity can cause significant economic harm to individual investors, firms and the integrity of the Canadian economy as a whole.

Improper insider trading is currently prohibited under the provincial securities laws and under the Canada Business Corporations Act. However, the use of the criminal law is a necessary additional instrument for deterring this kind of corporate malfeasance because of its symbolic value and because of the more severe penalties available.

The addition of an offence to the Criminal Code to prohibit and punish improper insider trading as a criminal offence would provide an additional tool to deal with those cases that merited a more severe response and ultimately would help stabilize investor confidence.

Members may recall how insiders who disclosed illegal conduct played an important role in uncovering the recent American scandals. Our Criminal Code does contain certain offences that prohibit intimidation, which basically means trying to stop someone from doing anything they would otherwise have a right to do, such as talk to the police, by threatening them with violence or harm. The Criminal Code also prohibits attempts to obstruct the course of justice, which relates to interference with investigations and the prosecution of crime.

Threats and actions directed at a person's employment, done with the purpose of preventing them from cooperating with law enforcement or to punish them where they have done so, are not adequately covered by these existing offences.

Once again, the Government of Canada has responded. The addition of a targeted offence in Bill C-46 will help to deter this kind of inappropriate conduct on the part of employers and will consequently help encourage insiders to cooperate with law enforcement. This new offence will send a strong message that this form of intimidation will not be tolerated. I would like to point out to members that this offence will apply to efforts to stop employees from speaking to a law enforcement body about any kind of illegal conduct, not just securities fraud.

Encouraging those with knowledge of wrongdoing to cooperate with the authorities will facilitate the detection of capital markets fraud and other forms of corporate malfeasance, as well as aid in the enforcement of federal and provincial offences under securities regulatory laws and other laws governing corporate actions.

Now I would like to talk about the sentencing that the bill encompasses. In keeping with the Government of Canada's commitment to ensuring that those convicted of capital markets fraud and white collar crime in general are punished appropriately for their wrongful conduct and the harm they cause to Canadians, Bill C-46 contains significant sentencing proposals.

● (1645)

In addition to the 10 year maximum sentence for the proposed insider trading offence and the 5 year maximum sentence for the proposed employment related intimidation offence, Bill C-46 also would increase the maximum sentence for fraud from 10 years to 14 years and double the maximum sentence for fraudulent manipulation of the stock market transactions from 5 years to 10 years. It should be noted that a maximum prison term of 14 years is the highest term of imprisonment in the Criminal Code short of imprisonment for life.

These sentencing initiatives therefore raise the maximum sentences for capital markets fraud to a level that recognizes their serious nature and crippling effects that they can have on our economy.

In addition, as a direction to our courts, Bill C-46 includes a codification of aggravating and non-mitigating sentencing factors for fraud and other market related offences, ensuring that the sentences the courts hand down for these offences will reflect the seriousness of the economic and social damage that such offences can inflict on our society. The government believes these codified factors will also improve the sentencing of white collar crime in general.

Let me deal with the area of concurrent jurisdiction. The partnership is a key and breathes life into Bill C-46. As such we propose to use concurrent prosecutorial jurisdiction over fraud to supplement provincial jurisdiction and provincial resources in regard to the major cases of capital markets fraud that are the focus of integrated market enforcement team initiative.

Federal involvement would be limited to a narrow range of cases that threaten the national interest in the integrity of capital markets.

Let me be clear. We do not intend to replace or overtake provincial prosecutorial jurisdiction but rather to compliment it. To this end officials within the Department of Justice have been engaged in a dialogue with provincial prosecutorial authorities on the development of joint protocols that would protect provincial jurisdiction while allowing for supplementary application of federal prosecutorial resources where necessary and desirable.

To ensure proper coordination, the Government of Canada will work with the provinces to establish prosecution protocols that will ensure a coordinated and effective implementation of the concurrent jurisdiction. The concurrent jurisdiction proposal responds to an immediate national concern of investor confidence in Canadian financial markets. Through effective partnerships with our provincial colleagues, we can strengthen investor confidence and bring those who threaten it to justice. I look forward to continuing this relationship.

We also have to look at how we gather evidence in situations of this type. I would turn to the provisions of Bill C-46 that relate to this evidence gathering.

In the Speech from the Throne the government committed itself to creating better tools to enhance the evidence gathering capabilities of investigators. Bill C-46 does just that with Criminal Code amendments that create production orders. Production orders are similar to search warrants. Whereas a search warrant allows police to search a certain place for evidence, a production order compels a person to produce the relevant information to the police.

Although this investigative tool is new to the Criminal Code, it already exists in Canadian law, notably under the Competition Act and in limited circumstances under other statutes. Further, it could also be characterized as a codification of current practices. For example, today when a police officer enters a bank with a warrant to seize records, he does not usually shut down the bank to get those records. Nor will he seize the bank's computer system.

● (1650)

What generally happens is that the holder of the information sought in the warrant will generally produce that information to the police himself. The reason for this is twofold: first, it is more convenient for the bank, since its business operations are not being interrupted; and second, it is more cost effective and less time consuming for the police.

The production orders in Bill C-46 have been introduced in the context of the capital markets fraud, however, as crafted they will not only apply to capital market investigations but also to all Criminal Code offences where a regular search warrant could be obtained. Because the new production orders have this broad scope, we thought it was necessary to include the same judicial safeguards required by the Criminal Code search warrant provisions.

Law enforcement agencies and crown prosecutors have been asking for a new investigative tool for some time and with the proliferation of the Internet and the widespread adoption of new communications technologies, the timing is right for this form of investigative tool.

The production orders will solve a number of nagging issues for investigators including extraterritorial searches and timing issues. Under these new orders, persons who have possession or control of documents, data or information will have to produce that information whether it resides in Canada or abroad. Thus, as long as they have possession or control over the relevant information, they will be required to produce it no matter where it is located. This solves the problem that has in part been created by inexpensive overseas data warehousing.

Second, the new production orders will be time sensitive so that the third party served with the order will either have to produce the information within the time specified in the order or report back to the court within the specified time as to why he or she cannot comply. This solves the problem of the inherent nature of informal arrangements which is they are informal and they often lack specific mechanisms such as timing mechanisms.

In some cases police have had to wait for up to a year to obtain information from a third party holder of that information. This bill introduces two types of production orders to the Criminal Code to enhance the general evidence gathering capabilities of the investigators. The general production order will require a person other than the individual under investigation to produce documents, or data or to create a document based on the existing documents or data and produce it.

For example, a production order served on a bank could require the bank to compile existing but non-related information on a client and give it to the police. Before issuing the order, the judge or justice must be satisfied that there are reasonable grounds to believe an offence has been committed, that the specific documents or data will afford evidence relating to the commission of the offence and that the recipient of the order has possession or control of these documents or data. These are the same basic judicial safeguards as required by the existing Criminal Code search warrant provisions.

The second type of production order is the specific production order. It has been designed to be a first step investigative tool and is limited to specific types of information for which there is a lower expectation of privacy. A judge or justice will have to be satisfied that there are reasonable grounds to suspect that the information will assist in the investigation of an offence. This type of order, with a narrower scope, would only apply to financial institutions and other organizations specified in the legislation.

Therefore, the general details relating to bank accounts such as the name of an account holder, or type and status of an account could be obtained through a specific production order.

I am pleased to have spoken to this bill today. The bill reflects the government's criminal law response to serious securities fraud that poses real risk to investor confidence in the stability of our markets and economy.

● (1655)

The Acting Speaker (Mr. Bélair): Before we go to questions or comments, it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Windsor West, Automobile Industry; and the right hon. member for Calgary Centre, Member for LaSalle—Émard.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to speak to Bill C-46. I have concerns about whether it will get through the House business and provide the confidence which is so required. Nevertheless hopefully that will happen.

I would like to ask the hon. member specifically about the commitment to have prison time set forth. The sentences are weaker than in the United States. My concern which are Canadians, be they pensioners or investors or businesses, affected by these scandals. We have individuals who might eventually walk away with a minimum sentence or a sentence that does not have prison time and this could virtually have an effect on someone's life for 10, 20 or 30 years as well as the assets of their family.

I want to ask specifically about that part of the bill and what else could be looked at in committee stage to increase the enforcement. Right now I see this as using kid gloves in dealing with corporate crooks, and that will not build confidence.

Mr. Paul Harold Macklin: Mr. Speaker, that is a very good question to raise. One part of the bill, which goes to the bottom line of the sentencing process, is very positive. That is the section that deals with setting out the aggravating circumstances that will be taken into consideration. These are very important. Sometimes we look at what factors are taken into consideration when someone is being sentenced for this sort of crime and generally and historically one might look at the reputation of the accused and how he or she has been seen in the community.

In the bill we turn that upside down and we say that it should not be taken into consideration. The clause states:

> The court shall not consider as mitigating circumstances the offender's employment, employment skills or status or reputation in the community if those circumstances were relevant to, contributed to, or were used in the commission of the offence.

It is very important to ensure we bring to bear in the courtroom those things that we believe ought not to be considered as mitigating and diminishing sentences. It is important that we send the message, and we are sending a strong message in the bill through the doubling of some sentences and increasing others. We are being very clear and direct that we want to maintain the integrity of the market system in Canada and we will do everything that is reasonably possible to ensure that is so, to protect all of the citizens of the country.

● (1700)

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I am pleased to participate in today's debate on Bill C-46, an act to amend the Criminal Code dealing with offences related to capital markets fraud. This legislation has been developed in reaction to corporate scandals that have surfaced in the United States and weakened investor confidence in capital markets worldwide. Similar American legislation was passed last July, the Sarbanes-Oxley Act of 2002.

As we have heard from the Parliamentary Secretary to the Minister of Justice, Bill C-46 proposes a number of changes that are intended to strengthen confidence in the markets, and protect investors from fraud and other unlawful conduct.

Under the new legislation we would find a new Criminal Code offence prohibiting insider trading which would carry a maximum penalty of 10 years imprisonment. A second new Criminal Code offence would prohibit employment related threats or retaliation which would protect so-called whistle-blowers, carrying a maximum sentence of 5 years imprisonment. The maximum sentences for existing fraud offences in the Criminal Code would be increased up to 14 years imprisonment from the current 10 years, while the penalty for fraudulent manipulation of stock exchange transactions would be increased to 10 years from 5 years.

The parliamentary secretary indicated that there would be specific aggravating factors for sentencing which would now include the extent of the economic damage done by the offence. Current mitigating factors, as he indicated, such as reputation or status, would be inapplicable to those committing serious capital market frauds if they were to rely on those very factors to commit the offence.

These are the concerns that I have in respect of this bill and they do relate to the sentencing provisions. This is a government that has consistently stated that it will get tough on crime. If we go to the Youth Criminal Justice Act or to the dangerous offenders legislation, there have always been those nice, colourful catch phrases designed to lead people from the truth of what the legislation was all about.

Last week we saw the Supreme Court of Canada correct the former minister of justice, who said he was bringing in legislation to protect Canadians from dangerous offenders. In fact, when the legislation was analyzed, as it was by the courts and confirmed by the Supreme Court of Canada, the legislation that was passed in 1997 made it easier for criminals to avoid staying behind bars. The option of a long term offender status now allows these dangerous offenders to apply under long term offender status and receive community based sentences or a form of parole.

The other point that the government has consistently stated when it talked about getting tough dealt with increasing maximum sentences. However, everyone knows it is not serious about taking steps to prevent crime by putting meaningful consequences in place because in fact what it does is never put minimum sentences in place. Whether a sentence is 10 years or 14 years, we have seen what the courts have done. They have simply applied the other avenues to allow individuals to escape responsibility through the use of conditional sentences, suspended sentences or other types of alternatives to incarceration.

I have seen that happen in the legal profession that I used to be a part of. When I started out in the practice of law, it was not uncommon for lawyers who defrauded clients to receive substantial penitentiary sentences.

● (1705)

Over the last number of years, of course, those lawyers who defrauded individuals, who caused incredible damage to people's savings and to the reputation of the law society, have been receiving conditional sentences. They have been able to avoid going to prison because of the tendency of the courts now, as directed by the legislation, to consider alternatives other than incarceration.

Here we see again the same kind of pattern. We hear the government say it will get tough on people who defraud investors, and yet it puts no minimum sentences in place. What the government is doing is simply winking to the judges and telling them not to worry about what it is saying about tough sentences, they can do whatever they like.

Given the direction that judges are required to follow in other parts of the Criminal Code, we will see the same kind of sentencing patterns and the alternatives to incarceration with Bill C-46. It has happened in the context of dangerous offenders and young offenders. It has happened in virtually every so-called sentencing reform that the government has brought forward. My concern is that if we want to get tough on individuals who defraud investors in the markets, minimum sentences must be put in place.

The parliamentary secretary indicated that additional investigative and prosecutorial resources would be provided in the most serious cases of capital markets fraud, including up to $120 million of federal money over the next five years. That amount is a joke. We have recently seen in the context of the Alberta gang trial where over $20 million was spent just to defend individuals, and the trial ultimately collapsed. The tens of millions of dollars that was spent in that trial is all gone. The sum of $120 million will go absolutely nowhere if we want to be serious about prosecuting this kind of fraud.

I noted the parliamentary secretary stating that the government would make some kind of agreement with the provinces. All I can say to the provinces is to beware. We have seen these kinds of agreements with the federal government before. Let us recall the medicare partnership of fifty-fifty. Now the federal government pays about 15%. Let us recall the deal on legal aid of fifty-fifty partners. Now the federal government is at about 15% or 20%.

An hon. member: The young offenders act.

Mr. Vic Toews: My colleague from British Columbia is reminding me of the young offenders act.

I was a provincial minister of justice in Manitoba, and I remember arguing with the federal government. It gave us a few million dollars, but its contribution fell short of the implementation costs of the young offenders act. The provinces were then stuck with the prosecutions.

In order to administer its own legislation, the federal government is probably paying somewhere in the range of 10%, 15% or 20%. I say to those provinces that might be charmed with $120 million to get exactly what they are getting in writing. They should not take the word of those guys. We have seen them fail in honouring their word time and time again.

● (1710)

Under Bill C-46 the Attorney General of Canada would be permitted to prosecute a narrow range of cases that threaten the national interest and the integrity of capital markets. Frankly, I would say to the provinces to let the federal government prosecute them all. Then the federal government will find out how expensive, cumbersome, and complicated it is to prosecute these cases. There are thousands of justice department lawyers who draft all this legislation, lawyers who do not have to go into court to defend that legislation and prosecute under it.

We have seen these lawyers draft gang legislation that is absolutely worthless because it is so complex. We are fighting a 21st century problem in terms of gangs with 19th century legislation. We have lawyers in the justice department who are more concerned about what the courts will say about the charter of rights than actually prosecuting criminals and telling the courts why it is important to put these criminals away.

We have turned the system on its head and now the Attorney General of Canada says he would prosecute a narrow range of these crimes. I say to the provinces to let the federal government prosecute all of these cases. It will see that the $120 million will maybe last one year, not over five years.

Generally speaking, however, with the exception of the resourcing issue and with the failure of the government to place minimum sentences, I am in support of the general thrust of the legislation. Canadians agree that confidence in our nation's corporate sector and stock markets must be retained. However, it is difficult for Canadians to take the justice minister and his parliamentary secretary seriously when they say it is important to be tough on corporate abuse of money invested by the public when nothing is being done to prevent the abuse of taxpayers' dollars by the Liberal government.

Just two weeks ago, the member for St. Albert revealed that a former assistant to the heritage minister spent over $50,000 on food and travel in just under two years and had not provided adequate information for most of the bills. Last week, or the week before last, concerns over $600,000 in questionable expense accounts by the director of the National Gallery of Canada added to this growing list of waste and mismanagement. The list is not limited to staff or appointed officials. It extends all the way up to the upper echelons of government.

Last year, private companies such as Groupe Everest and Lafleur Communications came under criminal investigation after intense pressure from the Canadian Alliance. The Auditor General's report said that senior bureaucrats broke every rule in the book by awarding contracts to these Liberal Party contributors.

Corruption in the sponsorship program has led to revelations of waste in $230 million of government advertising spending. Several Liberal ministers have been forced to resign after even the Prime Minister could no longer defend their actions.

The former public works minister, Alfonso Gagliano, was implicated in questionable advertising contracts and was conveniently shuffled out of cabinet into a Liberal patronage position as ambassador to Denmark.

The former defence minister was fired following the revelation he gave an untendered contract to a personal friend. The former solicitor general came under investigation by the ethics counsellor and resigned after he was found to have breached ethical guidelines in giving contracts to party friends.

This is the government that now says we have to get tough on the private sector and the abuse of the money that the public invests in capital markets. Yet this is a government that has taken absolutely no steps to clean up its own House. It is another example why government members do not want to see minimum sentences in place.

They simply want, as I said earlier, to wink at the judges and say that this is just business as usual and that the government must up the end of the sentences, but the judges should not worry because they can do whatever they want on the bottom end.

● (1715)

The justice minister is quick to point out that 55% of Canadians have lost confidence in the stock market as a result of recent corporate scandals. It is funny how he forgot to mention that the 2002 poll showed that 69% of Canadians viewed the federal political system as corrupt.

Here the justice minister is motivated to act in respect of the private sector when 55% of Canadians want to see changes in the stock market. Yet when 69% of Canadians say that the federal system is corrupt, there is an absolute silence coming from the justice minister and his parliamentary secretary in respect of this very important issue.

Canada's federal Liberal government needs to get busy cleaning up its own house if it is to have any credibility in enforcing any new laws designed to deter corporate crime.

Having said that, I think it is important for members to follow the legislation closely, bring forward appropriate amendments and support legislation that indeed deters fraud in capital markets. This is an important bill and at this point it should be advanced.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am a little disappointed with some of the comments my friend made in his speech about the former minister of public works and government services and insinuating that he was implicated with regard to some activity. The member did not say implicated by whom. The facts are that the former minister has not been implicated by the Auditor General, who has reported on the activity of two bureaucrats, or by any charges or referrals to the RCMP. I think the member may want to clarify what he meant by implicated.

Similarly, in the same breath he made a comment on the former minister of defence. The member knows that this was not a matter of legality or corruption. It was a matter of whether or not under the ethical standards it was appropriate, the optics of it. Certainly there was no illegality. I am sorry that the member had to go there.

Even the example that 69% of Canadians feel that the federal government is corrupt is not a direct quotation of that survey. It was federal members of Parliament. It was all of us. It was not the government. The member is incorrect in his statement. I guess this place is situation normal.

Having said that, the member is quite knowledgeable on this matter. I know of his background and his work here, as well as his work as a provincial member. Some of the questions that he has raised concern me, particularly the concern about not being sufficiently tough on this kind of crime.

We have passed legislation in this place wherein for people who are in breach of trust, such as those who are found guilty of spousal abuse, the Criminal Code now prescribes tougher sentencing for them because of that special relationship that exists. We have shown this pattern.

To the extent that the member has experience in this matter, does he believe that the experience that we have had in the courts so far is reflective of a condition of inadequate resources within the court system to properly enforce the laws of Canada as they relate specifically to this or similar matters? Or is it a matter that the courts choose not to deal with these things in the manner that was intended by the crafters of the legislation?

● (1720)

Mr. Vic Toews: Mr. Speaker, let us deal very briefly with some of the peripheral matters with respect to the former minister of public works.

My party has asked for that individual to come back and explain his conduct. It was the Liberal government and the committee members who refused to allow him to testify in front of that committee. I stand by what I said. He has been implicated in some very shady deals and he should be given the opportunity to come here and clear his name. I would welcome that opportunity. I am sure that the member would also like to see that individual come before the House and be given an opportunity to clear his name if there is nothing that associates him with those shady deals.

In respect of the ethical standards, I will not comment any further on the issue of the former minister of defence. Whether we call it an illegality or a breach of ethical standards, I think we are all bound by a higher standard in this House that we need to comply with and I will not quibble about the words.

In respect of my statements about 69% of Canadians, what I said, I think very clearly, and what the polls said, is that the federal political system is corrupt, and I am part of that political system, and that reflects adversely on all of us as members of Parliament.

In respect of the specific questions on the inadequate resourcing or inadequate laws, in fact there are serious problems with the resourcing of various laws.

One of the most important areas that the Toronto police have stated over and over again is their inability to deal effectively with child pornographers. They are overstretched in terms of dealing with the challenges of technology. In some of the cases, the police have to sift through a half a million pictures, categorize and catalogue the pictures and send them off to defence counsel. It creates all kinds of resource implications.

Certainly the federal government has not been doing its fair share. The chief of police in Toronto has indicated the problem that they simply do not have the resources and has indicated areas and programs from where those resources could be taken. One example is the gun registry which the chief of police again criticized as a colossal waste of money.

There are inadequate resources and there are inadequate laws.

One of the issues that I was very hopeful the present Minister of Justice and the previous minister would address was that preliminary inquiries. With these kinds of trials, preliminary inquiries will last for years. The provincial attorneys general said that there is no need for these preliminary inquiries.

In recent cases that the Supreme Court has come out with, such as the Stinchcombe and other cases, the crown has virtually been told that it has to produce every scrap of material. Preliminary inquiries have become meaningless. They are being used as a delaying process. That aggravates the resource issue.

If the government had real guts to change the law to make the legal system more effective, many of the resource issues would be addressed simply by changing the law to reflect the 21st century technology.

It is a combination of both. Let us change the law to eliminate those anachronisms and increase resources from programs that simply are not meeting a legitimate justice need.

● (1725)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, one of the interesting parts is the creation in this bill of a new public service. We have seen over the last 10 years an orgy of cleansing of all public services, ensuring that those features or structures are eliminated from the actual governing structures that we have. We now see the creation of a new body, an entity, being the teams that have to go out and police corporate crime. It is an indication in itself of the failure of the model to just hand everything over to those in the corporate sector and rely upon them for goodwill, rely upon them for our needs and to trust them.

What we now have is the creation of another bureaucratic structure which, it is being suggested at the moment, would take $120 million to start, over five years.

The member has identified that it is a joke. What type of resources should this new structure, this new body, receive? How can we arrive at the features that would make it successful to police that area?

Mr. Vic Toews: Mr. Speaker, the member's question is a good one. How do we appropriately use resources in order to tackle what is a very serious problem? Do we give it directly to the police? Do we give it to the existing regulatory agencies? Do we simply pass more laws?

I would like to hear, as this debate continues, how this is going to enhance the detection of criminal activity. My own view is that there are actually good aspects of self-regulatory bodies because they have that insider knowledge which allows them to act efficiently and effectively.

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, on behalf of my colleagues in the Bloc Quebecois, I am pleased to take part in this debate at the second reading stage of Bill C-46, sponsored by the Minister of Justice, which deals with capital markets fraud and evidence-gathering.

Members will remember that this bill was introduced just before summer recess last spring, after months of waiting and pressure from all sides. The gigantic financial scandals that we have seen over the last 24 months, such as Enron, Arthur Anderson and WorldCom just to name a few, have shown how urgent it is for the government to legislate in that area in order to protect not only investors but also the whole economic system.

But the government was dismally slow to react, being too busy, no doubt, managing the leadership crisis within the Liberal Party of Canada. The bill was finally introduced, very late unfortunately, but we can nevertheless be pleased that we do have it before us now. I will take this opportunity to say that the Bloc Quebecois will support speedy passage of this bill so that we finally have legislation that will effectively regulate financial transactions and ensure the accountability of business auditors. To this end, the Bloc Quebecois will propose certain amendments to specify both the scope and the spirit of the bill. I will be more specific about these amendments later in my speech.

I would remind members that, in the fall of 2002, the Bloc Quebecois urged the federal government to tighten the provisions of the Criminal Code so that the authorities would have better tools at their disposal to fight corporate fraud. In fact, several elements of the bill stem from our party's contribution to the debate, but we find it unfortunate that some of our suggestions were not accepted.

We still have major concerns about one particular aspect of the bill. We find it difficult to understand that this bill could provide that a federal attorney also has jurisdiction to prosecute Criminal Code offences concerning capital market fraud. This is especially worrisome to us since the federal government publicly announced, or at least suggested, its intention of establishing a Canadian securities regulator.

As you know, and this is an aspect that is particularly important to the Bloc Quebecois, securities regulation clearly falls under the jurisdiction of the governments of Quebec and the provinces. We must therefore ensure that the various jurisdictions are respected, thereby countering the federal government's designs in this respect.

This will be discussed further at committee stage, and I believe we ought to focus on the principle of the bill for the time being. So, the bill amends the Criminal Code and creates two new offences, namely insider trading and threats and retaliation against employees who may have revealed corporate misdeeds. At the same time, the maximum sentence for some offences, including fraud, is increased, and certain rules relating to aggravating and mitigating factors will be codified to facilitate interpretation at the time of sentencing. In addition, the bill gives the Attorney General of Canada jurisdiction to prosecute these offences.

The enactment also provides for new mechanisms whereby certain persons will be compelled to produce documents, data or information that will often be specific. As I said in my introduction, there is a very specific context requiring legislation in the financial sector today.

Corporate scandals in the United States have made us aware of how fragile our financial system is and how much were collectively rely it. Some might think that only major investors can be affected by a financial debacle and that the small savers who make up the most part of the population are therefore relatively safe. The fact is that this is totally untrue.

In fact, the biggest and most powerful financial players are represented by the whole familiar panoply of pension funds, and this inevitably means that part of these funds consists of our fellow citizens' savings. Thus, if a pension fund were to suffer substantial losses, it would be the small investors who would pay the heaviest price, even to the point of losing their life savings and seeing their retirement plans go up in smoke.

● (1730)

In this regard, and without getting too entangled in numbers, in order to understand the factors at stake here, it is important to note that in Canada in 1998, Canadian trusteed pension funds held assets of more than $500 billion. Statistics Canada, in a 1998 report entitled "Trusteed pension funds, financial statistics," estimated that of the $500 billion held in pension fund assets, about $115 billion was invested in Canadian stocks and some $57 billion in foreign stocks.

These sums, which appear astronomical to ordinary mortals but are commonplace in the financial world, represent the contributions of four million Quebec and Canadian workers to these funds. As an illustration, only the financial assets of the chartered banks exceed the capital held by the pension funds.

There is another important fact that illustrates the need to regulate the integrity of administrators. It has to do with the propensity of trusteed pension funds to favour investment in stocks rather than in fixed interest securities. As such, and in light of the previously mentioned figures, it is clear that a financial crisis as serious as the one suffered by our neighbours to south, would be devastating to Canada. The consequences to the retirement incomes of millions of households would be immeasurable and it is precisely those households that we have to protect.

Fortunately, to date, Canadian markets have been relatively spared from large-scale professional misconduct, except for the scandals involving the former directors of Cinar and Nortel. However, we feel that despite the fact that our securities regulation systems are, in the opinion of many experts, much more comprehensive than that which existed in the United States before the financial crisis, it is nonetheless important to send a clear message to corporate directors that financial misconduct constitutes a serious crime and that the punishment will fit the crime.

This is what prompted the Bloc Quebecois, in the fall of 2002, to call for significant changes to the Criminal Code in order to provide the appropriate authorities with better tools to fight crimes of a financial nature.

A year ago, my colleague from Joliette and I proposed adding a section to the Criminal Code that would make insider trading a criminal offence in order to send a clear message to company directors that the use of confidential information obtained within the scope of their duties for the purpose of making profits or avoiding losses would not be tolerated. This is essentially a question of fair play since making profits or avoiding losses in this manner impacts negatively on other investors who do not have access to the same privileged information.

We had suggested amending the Criminal Code by adding, after section 382, a specific reference to insider trading as a criminal offence punishable by a maximum prison sentence of ten years. We are quite pleased at the interest the government has shown in our proposal by including it in its bill.

Additionally, the Bloc Quebecois proposed that a new offence could be created for securities fraud. This offence, which would be patterned on the measures adopted in the United States, could carry a ten-year jail term. It would prohibit fraud when selling or buying securities. The Bloc had also proposed two amendments to section 397 of the Criminal Code. This section clearly stipulates that fraud is committed by someone who:

> —destroys, mutilates, alters, falsifies, makes a false entry in or omits a material particular from, or alters a material particular in a book, paper, writing, valuable security or document.

In our opinion, this provision could have applied to falsified financial statements. Furthermore, subsection 2 of this section makes it a specific offence if documents are falsified with the intent to defraud the creditors.

Currently, both offences carry a five-year prison term. We believe that this sentence is so light that it might not deter unscrupulous individuals from committing fraud for millions of dollars. Consequently, we had proposed increasing the maximum term of imprisonment to ten years.

Finally, we proposed adding a third subsection to section 397 of the Criminal Code to specifically target the falsification of financial documents with the intent to defraud shareholders. We believe that shareholders are a more vulnerable category since, unlike the majority of creditors, their investments are not guaranteed. Furthermore, although the information they are provided with is accessible, it is not easy to understand.

● (1735)

I would remind hon. members that these small investors are included in the major pension funds, and few such investors know exactly what is in their portfolio. We therefore have trouble seeing the reason why there would be a specific offence relating to fraud of which creditors are victims, and yet where shareholders are concerned a similar provision would not be included in the Criminal Code. This is precisely the flaw the Bloc Quebecois wants to correct, and we are hopeful that the government will realize the singular nature of this situation.

As I have said, the government plans to add to the Criminal Code a provision defining insider trading and its criminal nature, subject to up to ten years in prison. Although insider trading is banned at this time under provincial legislation on the sale of securities, and the Canada Business Corporations Act, this new Criminal Code offence is intended for the most egregious offences that merit stiff criminal penalties.

This new proposal for an offence being directly modelled on the Bloc's proposal, we cannot be anything but pleased that it is included in the bill. It seems, for once, that the government has heeded the opposition and bowed to our arguments.

The same thing goes for threats of reprisal against employees. It is necessary, indeed vital, for there to be special protection for employees who blow the whistle on fraud, or contribute information that leads to its discovery by assisting law enforcement officers in the investigation of such situations. The purpose of this is both to reveal such financial frauds and to protect employees from the intimidation which might occur in such circumstances.

Often these people play key roles in the disclosure of corporate scandals, but as a result are at risk of intimidation or threats, including action affecting their employment or means of livelihood. Creation of a new offence of threat or reprisal relating to employment would encourage people with inside information to cooperate with law enforcement officials and would punish those threatening or making use of reprisals. Let us note in passing that this offence would be punishable with up to five years' imprisonment if Bill C-45 is passed with this provision.

Overall, prison sentences would be increased to reflect the gravity of the crime and its repercussions. The proposed reforms would establish aggravating circumstances, which the courts should take into consideration in setting sentences. Thus the bill calls for maximum sentences to rise from 10 to 14 years for the present fraud offences under the Criminal Code, and for those affecting the public market. Maximum prison sentence for market manipulation offences increase from 5 to 10 years.

Factors such as the extent of the economic impact or any negative impact on investor confidence or market stability, defined as aggravating circumstances, could lead to stiffer sentences.

It is also of particular interest that, under these provisions, the accused or convicted person cannot invoke a reputation in the community or work as an attenuating factor for sentencing, This is precisely because these qualities are, more often than not, used to defraud and commit crime. We do acknowledge that these proposals are highly interesting, but regret that the government has not chosen to make use of our suggestions on stiffer sentencing for offences under section 397 of the Criminal Code.

I wish to call the attention of the House to the fact that Bill C-46 will force professionals to breach their duty of confidentiality.

Under certain circumstances, the government's legislative proposal would force a professional to produce information or documents, which could result in the disclosure of confidential information infringing on an individual's privacy.

While the clauses in question provide that the production order may contain terms and conditions to protect a privilegedcommunication, particularly between a lawyer and theirclient, the fact remains that confidential information might be disclosed in certain circumstances. We must therefore ask ourselves if forcing a professional to provide confidential information could undermine the professional-client relationship of trust.

However, a person named in an ordermade under these provisions may apply to a judge for an exemption from therequirement to produce any document, data orinformation referred to in the order. It remains to be seen what bases judges will use to prohibit the disclosure of confidential information.

● (1740)

Before I conclude, I would like to come back to an issue I raised at the beginning of my speech about the involvement of federal prosecutors. In fact, this includes some irritants that would need to be alleviated for the bill to be passed quickly.

As you know, financial market regulation comes under the jurisdiction of Quebec and the other provinces, as does the administration of justice.

Under this bill, the attorney general of Canada would have concurrent jurisdiction with the provinces and the territories to prosecute certain criminal fraud cases, including the proposed new offence of illegal insider trading. Federal involvement in this area would supposedly be limited to cases that threaten the national interest in the integrity of capital markets.

According to information released by the federal government, the Government of Canada will work with the provinces to ensure proper and efficient concurrent jurisdiction by establishing prosecution protocols.

We cannot support such a deliberate encroachment by the federal government in provincial areas of constitutional jurisdiction. What is even worse is that all of this goes to prove the federal government's intent to infringe upon yet another area of Quebec and provincial jurisdiction, the securities market.

Lastly, we are now debating the principle of the bill and we look forward to having the opportunity in committee to examine some of these issues in greater detail. Therefore, at this time, the Bloc Quebecois will support Bill C-46 in principle.

● (1745)

[*English*]

Mr. Inky Mark (Dauphin—Swan River, PC): Mr. Speaker, I am pleased to rise today to speak to Bill C-46. For our viewers this evening, let me begin by reading a summary of Bill C-46:

> This enactment amends the Criminal Code by creating a new offence of prohibited insider trading and creating a new offence to prohibit threatening or retaliating against employees for disclosing unlawful conduct. The enactment increases the maximum penalties and codifies aggravating and non-mitigating sentencing factors for fraud and certain related offences and provides for concurrent jurisdiction for the Attorney General of Canada to prosecute those offences.

That indeed is a tall order.

The Progressive Conservative Party supports Bill C-46 in principle.

Why have we seen this legislation come into being? Recent major accounting deceptions and other corporate scandals, such as those of Enron and WorldCom in the United States, have resulted in multi-billion dollar losses and have devastated investor confidence. The United States has already responded with the Sarbanes-Oxley Act of 2002 and with increased resources for investigations and prosecutions.

The Canadian government is now acting to increase the resources available for enforcement of existing Canadian laws and to strengthen existing criminal sanctions. What we gather from that statement is the government wants to be seen and perceived as being tougher on crimes, certainly capital market crimes. Yet at the same time we see the government being really soft on criminals. It is easy to say one thing but, as the old saying goes, to walk the talk is something else.

Even in the field of immigration enforcement, Ontario has a total of eight immigration enforcement officers. That is in a province the size of the Ontario. It just does not make any sense.

The Youth Criminal Justice Act has created a lot of problems from coast to coast to coast. Communities are dealing with vandalism and youth crime and their hands are tied. They really do not know how to deal with it. In fact I have spoken to attorneys general of the provinces and they have the same problem. They really question why the new Youth Criminal Justice Act is the way it is. It is actually worse than the Young Offenders Act which it supposedly replaced.

In the field of immigration, which I am very familiar with, I am told that staffing levels are not up to 1994 levels. When the Liberals came into power, they made all those big cuts, like $24 billion in health care. They also did the same thing in immigration even though the work probably tripled or quadrupled from 1993 to today. It is easy for the government to say it will be tough on crime, and now we are looking at a new bill. However to be tough on crime, it has to put in the resources.

Some members spoke today about mandatory sentencing. On my way back to Ottawa, I read in the paper that the attorney general of Manitoba, Gord Mackintosh, was asking the federal government to change the Criminal Code so that no bail would be granted to repeat offenders. It is creating a problem in the field. There is a huge disconnect with what we believe should taking place and what is actually taking place out in the real world.

There are new offences under this act. Insider trading is already illegal under the provincial securities laws and the Canadian Business Corporation Act. In instances that merit a more severe response, Bill C-46 creates the new criminal offence of inside trading with a maximum prison term of 10 years.

● (1750)

Bill C-46 also provides whistleblowing protection for employees who expose wrongdoing under federal or provincial law. A new criminal offence of employee related threats or retaliation would carry a maximum prison term of five years.

Bill C-46 is really about making the private sector and the capital market sector more accountable. Governments and certainly this government should eat their own words. If they really want to be accountable, they should demonstrate that by the way they spend taxpayer money. How accountable are they?

The bill talks about capital market fraud. The Auditor General has criticized the government for keeping the House of Commons in the dark when it comes to the way it has spent the money on the failed gun registry. It is fraudulent how it spends billions of taxpayer dollars. If it wants to tell taxpayers, the citizens of the country, how things should operate, then it should set the example.

When we examine the long gun registry from the fraudulent point of view and the waste of taxpayer money, this is really what we are trying to do here today. Bill C-46 is about the capital market, people's money being used in a fraudulent manner or in misleading investments in the private sector. With the long gun registry, even today the government still has not reported to Parliament what the total cost of the program has been so far. The government still has not reported to Parliament what the total cost will be to implement the firearms program.

The Treasury Board officials finally admitted that even they will not know the total cost of the firearms program until the fall. The government has been hiding the truth from Parliament and the public for seven years and has not been any more forthright in the last five months, over this past summer, or even this fall. Even when we ask questions about the new estimates of the Department of the Solicitor General, the Solicitor General refuses outright to say that there is a new $10 million in his account for the long gun registry.

The government estimates are still grossly under reported because of the justice department's plans and priorities report for 2003-04, which was tabled this past March, has 111 blanks. We are talking about the government's use of taxpayer money.

The government also refuses to reveal the cost of enforcement compliance as recommended by the Auditor General. The government refused to release a cost benefit analysis on the firearms program by declaring it a cabinet secret.

When we talk about accountability, it leaves a lot to be desired in the way the government handles taxpayer dollars.

Bill C-46 is supposed to be tougher on crime with tougher Criminal Code sentences. The current maximum sentence for fraud affecting the public market will rise to 14 years from 10 years and the maximum term for fraudulent manipulation of stock exchange transactions will rise to 10 years from 5 years.

Perhaps we need tougher minimum sentencing. In other words, we need mandatory minimum sentencing for people who are convicted of capital market fraud.

Bill C-46 also adds a list of specific aggravating factors that would result in harsher penalties such as the extent of economic damage caused or the impact on market stability. A person's reputation and status in the community or workplace can no longer be considered as a mitigating factor to lower penalties in cases where those who commit capital market fraud rely on those very factors to carry out their crimes.

● (1755)

In the area of evidence gathering, Bill C-46 introduces production orders as a tool for criminal investigations. Production orders are already part of the Competition Act. They are also less intrusive alternatives to search orders. They would compel a third party to produce pertinent documents within a specific time period. Failure to comply could result in a jail term of up to six months and a fine of up to $250,000.

Regarding concurrent jurisdiction, currently the Criminal Code gives the provinces responsibility for prosecuting cases that involve capital market fraud. With Bill C-46, either the federal or provincial governments may prosecute such cases. The government says that the federal involvement would be limited to a narrow range of cases that threaten the national interest.

As I mentioned earlier, the provinces need to be wary when the feds promise that they will fund prosecution under the federal courts. We have many examples where funding relationships between the federal government and provincial governments on paper appear to be in order. However in practical terms, in real costs, day to day activity, it just does not work out. Health care is a good example. We all know the problems of health care across Canada. As was mentioned, when it was first started, the cost was shared between provincial and federal government, fifty-fifty. Now we are down to about 15¢, I believe.

Another good example is the long gun registry on the prosecution side. Eight provinces have already indicated that they will not prosecute long gun registration offences and that they will let the federal courts deal with the prosecution of people who have breached Bill C-68, those hunters or firearm users who either do not have the gun registered or do not have a possession certificate. Up to today I know probably hundreds of people who have been stopped and caught for that breach, yet no charges have been laid by the federal government.

I know the reason why no charges are being laid. The government is in no way willing to spend millions of dollars prosecuting innocent Canadians who do not have their family heirloom or some rabbit gun their grandfathers passed on to them registered.

In terms of the financial relationship with Bill C-46 provinces have to tread very carefully.

The government is playing catch-up with the United States lawmakers who have already passed legislation, not just to strengthen criminal sanctions but also to reform the way corporations are governed. Boards of directors, auditors and audit committees all have key roles to play in protecting the interests of shareholders. Indeed the scandals that rocked the capital market of 2001-02 are widely seen to be the result of poor corporate governance, lax auditing, accounting standards and oversight and the incentives provided by executive compensation arrangements. In spite of this, the government's background information on Bill C-46 does not once mention the role of good corporate governance legislation.

Shortly after the government tabled Bill C-46, the Senate banking committee completed a year long study of the circumstances that resulted in the American corporate scandals. The committee was particularly interested in whether these circumstances might occur in Canada with similar results and if so, how they might be avoided.

● (1800)

While the committee called for tougher sanctions, whistleblowing protection for those who report financial irregularities and increased resources to investigate wrongdoing, it also recommended legislative measures to: require that a majority of board members be independent; require the development of a code of ethics to be followed by all board members; require audit committee members to be independent and financially literate; limit the non-audit services that auditors can provide to their audit clients; require the chief executive officer and the chief financial officer to certify that the annual financial statements fairly represented the organization's results and financial conditions; and prohibit compensation committee members from being a member of management and require them to have expertise in compensation and human resources.

The challenge will be to separate jurisdiction between the provinces and the federal government. We must be aware that father does not always know best. The Progressive Conservative Party looks forward to the further hearing process at committee level.

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, I have some questions for my colleague with regard to the whole concept of capital markets fraud. I think we have a prime example of that in the new Liberal leader and I will enunciate why.

The new Liberal leader has been committing a form of tax evasion for years. Talk about capital markets fraud. Somebody who owns Canada Steamship Lines, plus a total of about 132 other related companies, has been hiding his money and his profits offshore. The hypocrisy of it is that while he served as the finance minister in this place he bragged about how Canadian taxes were so good, but he was hiding his money offshore and not paying Canadian tax. Why? He obviously thought Canadian taxes were awfully high. I would say that is a good example of capital markets fraud, which Bill C-46 is all about. The former finance minister would know capital markets fraud all too well.

What does my colleague think about Paul Martin Sr. having acquired Canada Steamship Lines for pennies on the dollar? This was a crown asset that was sold to Paul Martin for next to nothing. Talk about capital markets fraud and taking money—

The Deputy Speaker: Order, please. The Chair is having some difficulty and I will simply ask members for their co-operation. There has been a longstanding practice in the House of not attacking the integrity of each other as members of Parliament. I simply want us to be cautious and aware of this longstanding practice and, to the best of our ability, to uphold it.

Mr. Inky Mark: Mr. Speaker, I am sure the member for LaSalle—Émard will respond to the same question when he returns to the House.

In terms of fraud, I earlier mentioned and compared the whole business of capital markets fraud with the fraudulent attitude of the government toward the billion dollar plus expenditures in the gun registry.

Liberal members need to open their eyes. If they are putting together legislation to make other people accountable then maybe it is time they were accountable themselves in terms of how they spend taxpayer money.

Mr. Rob Anders: Mr. Speaker, I want to ask the member a fairly specific question regarding a corporation and not an individual.

How much money does the hon. member think was left on the table, was, in a sense, never paid to Canadian taxpayers, never given to general revenue, was never put into tax collection that should have and could have been collected from Canada Steamship Lines if that company had been registered here in Canada, operating here in Canada, employing Canadians rather than foreigners, and basically being a good Canadian company rather than trying to hide its assets offshore? What does the hon. member think? Could he speculate on how much money has been stolen from the Canadian tax coffers by Canada Steamship Lines by it not operating in this country? Could he please give me his thoughts on that?

● (1805)

Mr. Inky Mark: Mr. Speaker, if we believe in Canada as our country of origin, we need to support it in every way possible. In the business world sometimes the bottom line is the way in which companies operate. For example, this past week the jeans companies folded their tents and crossed North America. They packed up their companies and will probably move to China where they can be more profitable.

I do not know how much money Canada loses. I am sure we lose hundreds of millions of dollars, probably billions of dollars in taxes. However the role of government is to ensure all the loopholes are plugged so Canadians who profess to operate under the flagship of this country pay their fair share of taxes.

Profit is not a four letter word and I do not think anyone in the House would deem it to be so because without profit no one would be in business. There has to be a balance. I am sure all members in the House want fairness to prevail and loopholes that cause extravagant losses to the public coffers should be plugged.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, earlier in the member's comments he suggested that the outfall from the Young Offenders Act resulted in chaos across the country and that it was not good legislation. Does the member mean that it was too tough?

The person who gave the most passionate and constant speeches on that subject was the former member for Berthier—Montcalm who stood up day after day and explained how the old young offenders act worked quite well in Quebec and that we did not need to put in the new provisions. From his perspective it was too tough.

I wonder if the member was referring to that, because from my perspective it was a good compromise. It became tougher on serious crimes but more creative on lesser crimes for first time offenders.

Mr. Inky Mark: Mr. Speaker, this summer I spent some time meeting with people in the municipalities and the band chiefs on Indian reserves talking about the problems with youth justice, youth vandalism and youth criminal activity. If we had unlimited dollars it would not be a problem. The problem is that we do not have the money. When a youth is charged with abuse at this point in time, it could take up to 12 months before the youth appears in court. What are we to do with these young offenders?

I know all communities have a problem wrestling with what to do with kids who continually damage property. Under the new act we cannot lock them up. What do we do with them? The support system is not there. We need more federal dollars to support the programs and initiatives found in the Youth Justice Act but without the money it just does not work.

● (1810)

Mr. Rob Anders: Mr. Speaker, I want to follow up on the questions I had going before with the hon. member. I think he is right. Canada has missed out on hundreds of millions of dollars of lost tax revenue because Canada Steamship Lines has not been paying taxes here in Canada. I would agree with him on that.

The follow up question therefore is, how many magnetic resonance imaging machines, how many CAT scans, how many nurses and how many doctors could Canada have afforded if Canada Steamship Lines had kept that money and those jobs here in Canada rather than trying to hide everything offshore? How about that?

Mr. Inky Mark: Mr. Speaker, there is no doubt that if we had hundreds of millions of dollars in tax dollars we could certainly spend them in a health care system. However, on the same point, we could do that right now with all the money the government has wasted on its failed long gun registry. Billions of dollars could be put into health care.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to speak in the House today to Bill C-46, an act to amend the Criminal Code (capital markets fraud and evidence-gathering).

It is tempting to go down the road, as several speakers have, about the government and its practices versus what it is trying to accomplish in the bill, but I will not do that. I want to talk about this specific bill and feature some of the things that I think are positive but also some of the major weaknesses that need to be discussed.

I know that with the coming election boundary changes we are fast-tracking that bill for the member for LaSalle—Émard to make sure the provincial requirements for new seats will happen. That is something that has been going over the summer and it is happening right now.

I would expect the same thing to happen to Bill C-46. Because it is important for Canadian families and for businesses we need to ensure the business of the House is not ground out. I do not want to see that hypocrisy. The bill is certainly owed to the general public.

The mere fact that we are talking about this shows us that the entire free market system has been shattered by unprecedented corporate fraud. Formerly reputable accounting firms, business leaders and banks have been shaken to their foundations, and it is not just in Canada. WorldCom, Xerox and Enron are good examples in the United States of what has driven us to recognize that there are problems.

These problems highlight a systemic or financial system. It is systemic because it is not just isolated to one or two groups or organizations. They have far-reaching effects and they involve multiple companies and organizations that we do not even know about.

We have focused exclusively on the top, not just the medium and the small, which we still do not know about. Plenty of excellent corporations, which are working very well within the system, are being punished as well because others are abusing it. We need to make sure that stops. There is no doubt about that.

The current spin by the financial market backers and government backers is that this is individual ethics rather than a systemic problem. However the reality is that right now we require the toughest policing between lawyers, police officers and investigators and l to ensure that people can come forth with information and we can gather information. That is a significant change over the last several years. That is an identification that we have systemic problems with our system that is hurting, not only people who invest money but the development of our free market economy, and that has to change.

One of the issues that is not addressed in the bill is another question that needs to be raised. I believe it is fraud. We have a system right now where a CEO can come into a company, cut thousands of workers, sell equipment and assets, raise the price of the stock for the short term, get a big cash handout, a series of bonuses and then leave the company in ruin. That also has to be addressed. The bill does not address that but we should start talking about that as a change to the system.

We have literally thousands of workers who have lost their jobs and people who have lost their investments for a short term, and that has to stop.

This has been driven by a number of issues that have happened in the United States and worldwide, as we said, where millions of dollars have been lost.

The U.S. congress responded by passing the Sarbanes-Oxley act and enhancing enforcement and funding to support investigations and prosecutions. It was very swift and clear on this and here we are still fumbling with it through our system. That is not acceptable.

After listening to thee discussions today from the government side and the opposition parties, it sounds like there is support. My hope is that we will continue to press that and ensure that we at least have some improvements. Where those improvements should go in terms of the length and distance, everything from the actual types of tools that the prosecutors have to the actual fines and jail time, might be different but we have to make sure that something gets through.

I hope we go for some very strong laws and improvements that the bill requires.

On June 12, 2003, Bill C-46, a companion to Bill C-45, the Westray bill, was tabled and presented as a Canadian response to the Enron fiasco and the Sarbanes-Oxley act. It is important to note that we are talking as well about some environmental and human safety issues at the workplace. It would make people responsible for their actions and they no longer would be able to hide behind a corporate identity or symbol. It would actually bring to the forefront people who make decisions and who are derelict in their duties.

● (1815)

This is something that is actually important and exciting, because it gives those people providing good, stable jobs with the best practices the ability to compete with those who cheat the system.

This package intended to maintain investors' confidence in Canada's publicly traded companies includes spending of $120 million over the next five years, together with proposed amendments to the Criminal Code. The money would go towards the creation of six integrated market teams, IMETs, made up of RCMP investigators, federal lawyers and other experts.

That in itself is acknowledgment once again of systemic problems. We have a government that has a record of dismantling public service and privatizing. That is the record over the last 10 years. The government is now admitting it needs to create another body to deal with this problem. If it is $120 million, I do not believe that is going to be sufficient, because the document itself outlines the fact that government is going to go after the major perpetrators, that they will not be able to get to the other ones. The government is scratching the surface with this.

Despite that, the $120 million may not even be enough money for policing the greatest of crimes. Hopefully when we get to the committee stage we will hear from delegations and from witnesses and experts who will bring numbers forward. I would expect that suggestions will be made to raise that amount of $120 million to provide for appropriate legal repercussions and prosecution so that people do not get away.

Bill C-46 makes insider trading a criminal offence with a 10 year sentence. The bill targets employees of corporations and others who use privileged information not available to other investors to benefit themselves. That is a significant achievement in itself. It shows that there actually will be some repercussions. I do not believe that is enough. I will get into that later with a comparison of what is happening in the United States. I believe we need to go farther than that.

It also creates a new offence punishable by up to five years in jail to prohibit intimidating or retaliating against employees who report fraud and other unlawful practices or conduct in the financial markets. This will protect employees from employment related harassment and punishment; that is whistle-blowing. Members of the New Democratic Party have been calling and advocating for whistle-blowing protection for many years. It is a good feature to have, but five years is not enough to protect an employee.

We know that some of these people may not necessarily even get prison time. They could be out and they could also hold other jobs with competitors. They could have inroads with groups, organizations or other investors and that could have a repercussion on employees. I want to see greater detail on how we can protect those employees to make sure that when they step forward they have the confidence that not only will their business will support them, but also that outside of that the Government of Canada and the institutions of justice will protect them and their family.

Without that, we are going to lose many files. We will see many cases requiring more investigation and cost. We have to simply say that we will not let people hang out to dry by themselves, that we are going to protect them and their families when they have the courage to step forward. That has not happened enough in the past.

Right now the bill also codifies non-mitigating factors. For example, if a corporation has been a good corporate citizen and used that leverage, then it will be used against a corporation not to lessen a fine. That is an improvement. That is a first step and there is no doubt about that.

I think we should be looking at other things over a company's history to see what taxable deductions it has been using. Has it been lunches? How much booze has been written off? What about the environment? Has it actually caused environmental problems and written them back as a tax deduction? That can currently be done in the government's program. A company can spill or create a toxic waste and actually get a fine and then at the same time claim it back on income tax. Has the company done these things?

There are political donations, golf games, and all the different things that a company has used through their system. They should be examined. The corporation should be made to pay it back if it has actually had someone on the take or was basically using information or those experiences to better their position or to share that arrangement amongst people. The reality is that taxpayers end up paying for that as they write off those deductions. Taxpayers are subsidizing those deductions. All of that should be added to the actual bill.

Right now Bill C-46 creates a new procedural mechanism by which persons will be required to produce documents, data or information in specific circumstances. One of the good things about the bill is that these production orders may be issued without another party's knowledge, which will allow investigators to gather evidence from third parties such as banks and auditors without tipping off the subject of their investigation.

● (1820)

That goes back to my position on whistle-blowers. We would be able to save millions of dollars, strengthen cases and ensure that justice would be done if we can get that information and cooperation, but that takes the confidence of those people stepping forward. As it is right now, I do not believe the bill provides that confidence. It does not provide that ironclad commitment required. We know that this type of system will actually create better opportunities for us to prosecute and to be successful, but once again, that has to be enshrined in such a way that people feel protected.

As things stand right now, there is a deterrent effect. Punishment for fraud would increase from 10 to 14 years, for fraud affecting capital markets from 10 to 14 years, and for market manipulation from 5 to 10 years. I believe that is not enough. That has to change. We should be looking for stiffer penalties. As well, if damages are over $1 million fines could be increased. Perhaps we have to look at lowering that $1 million. I am not sure whether I am comfortable with that and I am looking forward to hearing witnesses come forward to discuss that.

The bill also allows the Crown to prosecute for insider trading. That is very important. We think that should move forward right away.

One of the concerns we do have with the bill it is that there are still some vague definitions involved. There is an issue of vague information in regard to insider trading, that is, how significant is significant? The definition is not there. We know that there can be increased penalties because significant information comes forward or there is significant alteration on the market, but who is going to define that? I do not think that leaving this entirely to the courts is good. Whether it is a 15% drop in the stock or a financial issue affecting later performance, those are things we have concerns about. We would like to see these further defined.

There is another aspect of Bill C-46. Once again I will go back to whistle-blowing; I can do this quite a bit because we have been talking about whistle-blowing for years. Instead of amending the Criminal Code we should keep the broader definition of extortion so that it still exposes offenders to an indictable offence punishable by life in prison. What we can do is make sure that it is one of the harshest penalties out there.

There is no mention in the bill of accessories to fraud or wilful blindness. I am going to go through a brief scenario on Enron to give an example of some of the weaknesses of the bill that we need to discuss. Obviously the offence of fraud requires an element of intent to deceive, but what happens when there is no intent to defraud yet the failure to act allowed the deception to take place in itself?

For instance, let us take the example of the Enron fiasco, which in part prompted this legislation. There, the accounting firm of Arthur Andersen admitted to making “errors in judgment”. It shredded thousands of documents relating to its audit of Enron and suspected or knew that Enron was breaking security regulations.

Most cases prosecuted under this legislation will not involve outside firms such as accounting firms so closely involved in the actual offence, but the example illustrates how an outside firm's omissions can contribute to commission of the offence itself. That is why under Bill C-46 we need to explore the possibility of imposing a legal duty on outside firms dealing with financial statements or companies to take reasonable steps to verify or scrutinize the accounting practices of their clients to expose them to criminal liability.

It is not good enough to just pass the buck. We would have those groups and organizations that are actually paid as businesses having to show their confidence in what the corporation has put forth to the market to prove and back up what they have done; they could not hide. That is one of the weaknesses of the bill. It does not go after them the way it should and it would allow situations like that of Enron to continue to happen.

It has become obvious that it is not practical to rely only on the deterrent effects of criminal legislation to prevent such disasters. What is needed are better watchdogs to oversee the affairs of corporations and to ensure that businesses' accounting practices comply with the law that all material information is being disclosed.

Once again it goes back to the whole concept of whistle-blowing to gather that information and ensure that it can be used, and it cannot be just the corporation. We must have those accounting firms responsible. They as well would be responsible. If we look at some of the accounting cases, and I am going to read out a couple of them, we know that they are very important to the actual criminal liability issue. One is Enron, as I mentioned. I will not go through that again except to say that basically in 1997 it overstated its earnings by about $600 million U.S. It should have been responsible and so should all the partners who signed off on that.

● (1825)

Tyco allegedly avoided payment of $1 million U.S. in sales tax on $13.2 million in artwork. They did not show that. They should have been responsible. Adelphia Communications lent billions of dollars to the founders, the Rigas family. The family relinquished control of Adelphia which had defaulted on $7 billion U.S. in debt and filed for chapter 11 bankruptcy protection on June 25. Once again its loan documents and information were not accounted for. Livent is another one where financial records were manipulated to hide losses of $100 million.

Once again, those who sign off on this business need to be responsible and should be considered as part of the offence in itself.

I am going to compare some of the differences between the United States and Canada as we discuss Bill C-46.

Right now for insider trading, Canada gives 10 years in prison. In the United States, the maximum sentence for insider trading is going to increase from 10 years to 20 years, with a fine of up to $5 million U.S. That is the minimum.

For threatening whistle-blowers in Canada, there is up to five years in prison. In the United States it is going to be up to 10 years in prison.

On increased enforcement, they are actually going to be hiring 200 new investigators, lawyers, and auditors and establishing an accounting oversight committee to monitor and regulate accounting industries. That once again goes back to my argument on the accounting, that they are actually identifying that and providing a resource for that.

The sentence for fraud in Canada is raised from 10 years to 14 years. In the U.S. it is actually going up to 20 years in jail.

I agree with the debate about whether or not there should be minimum sentences provided. My concern quite frankly is that a judge could give a minimum sentence which would not act as a deterrent. A person would get a couple of years perhaps and there would be no real repercussions on his or her life beyond that. Maybe there would be some professional repercussions but it would not be the same compared to the businesses and the families that had lost their savings and their ability to plan financially for their futures. I have some real concerns that we may not get the type of deterrents we are seeking.

The government needs to look at this. We need to focus if we are really going to attack this problem. It is systemic. It is not something that happens to one or two companies. We know that fraud occurs and market practices are very vulnerable to a number of people who are taking advantage of the system. We need to be in front making sure that justice is going to happen.

We have a different perspective on corporate crime here in Canada. We see street crime and we act on those things a little differently, but regarding white collar crime we have done very little or nothing at all. That has to change. This bill should move quickly through Parliament to ensure that Canadians are protected and that their investments are there for the future.

ADJOURNMENT PROCEEDINGS

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

[*English*]

AUTOMOBILE INDUSTRY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, on May 26 I asked a question relating to the auto industry.

We have seen the vanishing opportunities of actual auto plants. I am talking about new plants, greenfield developments that have not always come to this country, especially competing with the United States. For example, we saw the loss of the Sprinter as well as the M60 when the Chrysler plant did not happen in Windsor.

My question is quite simple. The response I got back from the minister was that he expected there would be a delay in the decision on the DaimlerChrysler plant in Windsor, Ontario. I would like to know what the government has done since that time, since there was supposedly a delay. What steps has it taken since that time to get this particular plant? What specifically has it put forward? What has it offered to entice and develop those jobs that we so desperately need in the auto manufacturing field?

It was clear by the minister's response that the government would do everything possible and at the same time he viewed it as a delayed decision. What has happened since that time?

● (1830)

Mr. Tony Tirabassi (Parliamentary Secretary to the President of the Treasury Board, Lib.): Mr. Speaker, the hon. member is correct that during question period on May 26 he asked about the government's commitment to attracting new automotive production to Canada.

There has been a lot of discussion over the past year with various levels of government and what they are doing to attract new automotive investments in Canada. I am glad to have the opportunity to speak to this issue.

First, let me be clear that the government wants to see as much new automotive investment come to Canada as possible. The principal reason why the Canadian Automotive Partnership Council was created was to develop shared industry-government strategies to help ensure the long term growth and prosperity of Canada's automotive sector. We are working through CAPC with the assemblers, parts manufacturers, labour, and the provinces to develop a cooperative approach to addressing industry issues.

In the months which have passed since the hon. member voiced his concerns about the state of the automotive industry in Canada, there have been a number of developments which indicate that Canada continues to be an attractive location for automotive manufacturing investment.

DaimlerChrysler has recently announced that it will invest $1.4 billion to retool its Brampton assembly plant.

On September 26 Toyota held a ceremony for the production of the Lexus RX330 at its Cambridge, Ontario, plant. It will be the first ever Lexus to be built outside Japan. As noted by the Japanese and Canadian based executive of Toyota, this investment reflects directly on the government's commitment to the automotive sector.

All of Canada's five auto assemblers have current reinvestment plans.

In the auto parts sector, the news is also encouraging. Employment increased by almost 7,000 jobs in the first half of 2003, an increase of 6.9% over the last year. Total employment now stands at 106,384 jobs.

The auto industry invests in Canada because of our strong fundamentals: a highly skilled workforce; competitive labour costs; and an excellent business climate, including low inflation and interest rates, and a competitive tax regime. Canada will continue to be an excellent automotive manufacturing location, with strong performance on productivity and quality measures.

In addition, the federal government assists industry to innovate and to increase productivity and competitiveness through its many programs. A recent example of the success of this approach is the Navistar truck plant in Chatham, where the company reversed its decision to move its operations to Mexico. Instead, with the assistance of the technology partnerships Canada program, the company will be investing $270 million over 10 years in developing of state-of-the-art equipment thus guaranteeing the plant's future for years to come.

We on this side of the House recognize that Canada cannot rest on its past successes. We are continuing to work closely with the auto sector to maintain Canada's competitive advantages and to ensure that the auto companies continue to invest and grow in Canada. We are actively involved through CAPC in examining these very issues.

Mr. Brian Masse: Mr. Speaker, I was pleased to see that the government took action on Navistar. It took the serious injury of a person and the community fighting the fact that security was bringing American strikebreakers into our community. We had to protest to ensure that members of the community were heard. The minister finally came through and I give him credit for that.

But what I want to know is not statistics and jargon concerning jobs. The minister said it would be a $2 billion investment and now we are hearing it is $1.4 billion. We are missing $0.6 billion. What happened to that money over the summer? Maybe we could hear from the parliamentary secretary whether DaimlerChrysler has withdrawn an investment of $0.6 billion.

I want to know specifics. What is our auto policy? What are we doing to challenge the American corporate policy of basically offering incentives and tax free zones that are stealing jobs from Canadians? How are we challenging the Americans?

● (1835)

Mr. Tony Tirabassi: Mr. Speaker, the hon. member stated that he was not interested in the statistical jargon, but that is what measures accomplishments. That is what the sector is interested in. It is not interested in the dramatics in the House of Commons or what it took. Obviously it took a combined effort of everyone on all sides to pull this deal off.

I want to remind the hon. member that the annual growth in Canada's auto sector was 7% compared to 3% for the economy as a whole. During that same period, light vehicle production in Canada increased by 570,000 units. This is the equivalent of two or three typical assembly plants.

I think this is impressive, particularly given the fact that Canada accounts for only 8% of North American vehicle sales. Our share of total North American production has consistently been about 16% in this period of time. The Automotive Parts Manufacturers' Association showed that Canada moved up to third place, behind only China and the United States.

MEMBER FOR LASALLE—ÉMARD

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, on September 23 I asked the government to inquire into the current discrepancies between records filed by the member for LaSalle—Émard as the then minister of finance, and documents published by his lawyer and posted on the website of the ethics counsellor.

The minister's statement was filed in February 2002. It said that through a company called Sheilamart Enterprises he owned 438,210 preferred shares of Passage Holdings Incorporated which owned Canada Steamship Lines and other entities. His lawyer's filing made no reference to his holdings in Sheilamart.

There is a public interest in knowing what happened to those Sheilamart shares. Were they cashed out in some unrecorded transaction either in Canada or abroad? Were they transferred to someone else and if so, who?

According to his lawyer the total financial interest of the former finance minister in Canada Steamship Lines was less than a million dollars.

That is a lot of money to you and me, Mr. Speaker, but not to the member for LaSalle—Émard. This is a multimillion dollar company. It is wholly owned by the former minister and his immediate family. Its value has been increasing. Its costs have been cut by firing Canadian workers and by flying under foreign flags. It benefits from a major tax haven in Barbados which was protected while the former minister was the minister responsible for Canadian tax policy.

It is frankly hard to believe that his personal financial interest in this international money machine was so small. Yet his lawyer's letter says, "The Passage Shares have an aggregate redemption value of $829,000".

That claim is more curious because the public record shows that the redemption value of each preferred share in Passage Holdings Inc. is $100 per share plus dividends. The former minister owned 438,210 preferred shares. At $100 per share, that works out to a redemption value of at least $43,821,000. That is $43 million more than the value stated by his lawyer.

The former minister may claim the shares he owned in Sheilamart were a class of shares which had a lower redemption value. The share structure of Sheilamart was changed in December 2000, just after the election, to create new class E shares which carried a lower voting power.

However, by definition, those low voting shares did not exist before December 2000. Yet the former minister controlled the company for years before that. What was the redemption value of the preferred shares he held then?

If he surrendered them, when a new share class was established in December 2000, did he just give away the money? Was there some unrecorded transfer that his lawyer chose not to make part of the public record?

While the new class E shares may have a lower voting weight than the shares he had before, how can anyone be sure of their redemption value? The agreement which created the new shares said that redemption value would be affected specifically by the value of the consideration received by Passage Holdings Incorporated. That value could be challenged by Revenue Canada. That could increase the amount significantly. Those facts were not mentioned in the letter from the former minister's lawyer.

The government would not answer my questions. It told me to ask the ethics counsellor myself. I have done that in a detailed letter dated September 26.

These matters are of great importance because the former minister has just been handed a free pass to become Prime Minister of the country. Prior to that he was given an arrangement called a managed blind trust that had never been available to a Canadian cabinet minister in the history of this country. At the time that he was finance minister he was briefed regularly on the business affairs of his multinational company.

Mystery surrounds the man who would be Prime Minister. The people of Canada have a right to know some of the details about transactions which are known to the ethics counsellor.

● (1840)

Mr. Rodger Cuzner (Parliamentary Secretary to the Prime Minister, Lib.): Mr. Speaker, as stated, on September 23 the member for Calgary Centre posed two questions during question period concerning the recent divestment by the member for LaSalle—Émard of his interests in Canada Steamship Lines. We all know that the member for LaSalle—Émard served as minister of finance over many years and continues to serve this country with distinction.

The member for Calgary Centre claimed that in February 2002 the former minister of finance declared through Sheilamart Enterprises Inc. that he owned shares in Canada Steamship Lines and that the member for LaSalle—Émard's lawyers' letter to the ethics counsellor explaining the approach taken to divest his interest in CSL did not make any reference to these shares.

During the same question period the member for Calgary Centre also questioned the redemption value of certain preferred shares held by Passage Holdings Inc., the company that held the interests in CSL. The member for Calgary Centre then asked the government to seek a response to his questions from the ethics counsellor.

The acting prime minister suggested at that time that the member was free to raise the matter directly with the ethics counsellor. We know that the ethics counsellor has always been open to responding to members' requests for advice and answering questions on ethics issues, whether they were related to a member's own situation or regarding questions on other members of this House.

I understand that the member for Calgary Centre did take the advice of the acting Prime Minister and on September 26 had delivered a very detailed letter to the ethics counsellor raising a number of questions on this subject. I also understand that the ethics counsellor has the letter from the member for Calgary Centre under review and plans to respond to him as soon as possible.

My advice to the member for Calgary Centre is to let the ethics counsellor do the work he has requested and wait for the response.

Right Hon. Joe Clark: Mr. Speaker, I will of course wait for the response of the ethics counsellor. It is known in this House that there is considerable concern about the degree to which that officer, who does not report to Parliament, is bound by the same obligations to be forthcoming, as is the case with officers of Parliament.

Some very important questions surround the member for LaSalle—Émard. Why was he given a blind management trust of a kind that was never available to a Canadian cabinet minister ever before and that allowed him to be briefed regularly on the business affairs of his company at the same time as he was functioning as minister of finance? We were told at one point that there were only 12 such briefings. It now appears that there may have been more than that, if I correctly heard the ethics counsellor, there may have been as many as 30.

Why, if he changed the nature of his shares in Sheilamart, did that occur? What consideration was given to Passage Holdings to give him this new class of shares? Was there some transaction that occurred out of public view in Canada that would give us a clearer understanding of the financial situation of the man who would be prime minister?

Why was there no reference to Sheilamart in the letter that was written by his lawyer, which has now been filed on the website of the ethics counsellor and has the status of an official document?

I see my time up. These are pressing questions that are of interest to the ethics counsellor, but also to the people of the country.

Mr. Rodger Cuzner: Mr. Speaker, we on this side of the House continue to respect the work of the ethics counsellor and the role of the ethics counsellor. We would hope that the member for Calgary Centre would understand that the ethics counsellor will embark on a thorough and exhaustive investigation and after due consideration, will present his conclusions.

We ask for the member's patience and to wait for the report of the ethics counsellor.

● (1845)

[*Translation*]

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

(The House adjourned at 6:45 p.m.)

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