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OFFICIAL REPORT
(HANSARD)

Tuesday, March 23, 2004

—

Speaker: The Honourable Peter Milliken

CONTENTS

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

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HOUSE OF COMMONS

Tuesday, March 23, 2004

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)
[English]

ORDER IN COUNCIL APPOINTMENTS

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments made recently by the government.

* * *

• (1005)

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 11th report of the Standing Committee on Procedure and House Affairs regarding the provisional standing orders governing private members' business, and I should like to move concurrence at this time.

(Motion agreed to)

* * *

PETITIONS

MARRIAGE

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present to the House a petition dealing with marriage that is signed by more than 700 Canadians.

The petitioners wish to underscore that this House voted to preserve the traditional definition of marriage in 1999. Despite this, a recent court ruling bypassed Parliament and its elected members on this issue.

Therefore the petitioners pray and request that the Parliament of Canada renew debate on the definition of marriage and reaffirm, as it did in 1999, that marriage is the union of one man and one woman to the exclusion of all others.

CRIMINAL CODE

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present a petition signed by residents of British Columbia and Alberta. The petitioners point out that lesbians, gays, bisexuals and transgendered people are common targets of hate crimes across Canada and are currently excluded from federal hate propaganda laws.

They also note that in some cases gay bashers rely upon the discredited homosexual panic defence, claiming they were justified in committing murder because the victim came on to them, and that federal justice ministers since 1999 have promised to make the changes needed to the Criminal Code to protect gay and lesbian people under hate propaganda laws.

The petitioners call upon Parliament to amend hate propaganda provisions in the Criminal Code to include lesbian, gay, bisexual and transgendered people, and to reform provocation law so that gay bashers can no longer rely upon the so-called homosexual panic defence.

MARRIAGE

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, it is a pleasure to present two petitions to the House today with some 800 names of people right across this country who urge the government not to change the traditional definition of marriage as the union of one man and one woman to the exclusion of all others.

It is my pleasure to present this on behalf of these Canadians who are asking the government to keep the traditional values in the country.

• (1010)

LIBRARY BOOK RATE

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I have two petitions to present today that are very important to my riding.

The first one involves increases to the library book rate. There are some 1,900 signatures of people from communities on Vancouver Island who will be greatly affected if the changes to the library book rate follow through.

They are calling upon the government to recognize that the more than 400,000 people who live on the west coast of Vancouver Island depend upon the assistance of the Department of Canadian Heritage and Canada Post to deliver library books between the facilities there so people can access these materials.

Government Orders

This is very important to people in my riding. They are really hoping this can be renegotiated so that materials can be made available to help these communities.

NATURAL HEALTH PRODUCTS

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, the second petition involves my private member's bill, Bill C-420, involving natural health products.

The petition contains some 600 signatures, in addition to the more than 120,000 that have already been presented. The petitioners come from British Columbia, Alberta, Ontario, across the nation actually, and many communities in my own riding.

They are calling upon the government to make sure that natural health products are made available and that they are properly classified as foods and not as drugs. These are low cost, non-patentable items. People want access to the products that they have relied upon. They do not want them regulated, as the government has proposed and has started to implement, as drugs, which makes them unavailable and restricted unnecessarily.

MARRIAGE

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, it is my pleasure to present a petition this morning where almost 400 petitioners call upon Parliament to ensure that marriage remains a union of a man and a woman to the exclusion of others and should not be modified by a legislative act or a court of law.

AGRICULTURE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present yet another petition on behalf of beef, sheep, goat and bison farmers in my riding concerning the BSE crisis.

No doubt these petitioners, who are some of many, are delighted by the news that there is relief now flowing to ruminant farmers of all types across the country, but they know that the problem is still the border, and that over 1,000 farm families in my region are directly affected.

They point out that the industry and the herd concerned in Canada and in the United States are essentially integrated and that Canadian beef is the safest in the world. They urge Parliament to do all it can to open the border. This a matter that should be taken up at the very highest levels.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

CUSTOMS TARIFF

The House proceeded to the consideration of Bill C-21, an act to amend the Customs Tariff, as reported (without amendment) from the committee.

Hon. Denis Paradis (for the Minister of Finance) moved that the bill be concurred in at report stage and read the second time.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

[English]

The Deputy Speaker: I declare the motion carried.

(Motion agreed to)

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe that if you seek it you would find unanimous consent to proceed immediately to third reading of the bill.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

[Translation]

Hon. Denis Paradis (for the Minister of Finance) moved that the bill be read the third time and passed.

He said: Mr. Speaker, I welcome the opportunity to speak at third reading of Bill C-21, an act to amend the Customs Tariff.

This bill provides for the continuation of a longstanding policy of providing preferential tariff treatment to developing and least developed countries.

I will begin my remarks today by providing the House with some background to this issue. I will then discuss the bill and why it deserves to be passed without delay.

In the mid-1960s, there was widespread recognition that preferential tariff treatment for developing countries was a means of fostering the economic growth and well-being of poorer nations.

Consequently, in 1968, it was agreed at the United Nations conference on trade and development that a system of trade preferences should be implemented for developing countries.

This decision was implemented by most industrialized countries, including Canada, who agreed to provide more favourable treatment to products imported from developing countries than to similar products from industrialized countries. Countries also agreed that the preferential tariff programs would be generalized, non-discriminatory and non-reciprocal.

It is with those principles in mind that most industrialized countries implemented preferential tariff programs benefiting the developing world.

Government Orders

Canada's program, the general preferential tariff, or GPT, was implemented on July 1, 1974 and has been renewed twice, in 1984 and 1994. The more generous least developed country tariff, or LDCT, was introduced in 1983. Both programs are set to expire on June 30, 2004.

•(1015)

[*English*]

Under the GPT, the general preferential tariff, more than 180 countries and territories are entitled to zero or low tariffs on a large majority of products that are covered under the customs tariff, with the exception of some agricultural products, refined sugar, and most textiles, apparel and footwear.

Like other industrialized countries, Canada introduced a program, the LDCT, the least developed country tariff, which provides even more generous preferential treatment to goods from the world's poorest countries as designated by the United Nations and based on a number of criteria such as national income, health and education.

Since January 2003, Canada, acting on a commitment made at the 2002 G-8 summit in Kananaskis, provides complete duty-free access under this program to all imports from 48 least developed countries except for certain agricultural goods such as dairy, poultry and eggs.

Bill C-21 simply extends both preferential tariff programs in their current form for another 10 years, from July 1, 2004 to June 30, 2014, as per past practice. Extending these programs makes sense for several reasons.

First, an extension will continue a longstanding Canadian policy that is consistent with the international practice of providing preferential tariff treatment to goods from the world's poorer nations. Extending these tariff programs will simply reaffirm the government's commitment to promoting the export capability and economic growth of developing and least developed countries, the main reasons these tariff programs were established in the first place.

This brings me to the second reason for extending these programs. Continuing these programs for a fixed period of 10 years will provide certainty and predictability to the traders who use them. Exporters in developing and least developed countries will continue to benefit from the preferential access provided by the programs.

These programs have supported growth in the export sectors of many developing countries, but they still have a long way to go. Many developing countries still need preferential access to the markets of the developed world in order to improve their economic status.

Another reason to continue these programs is that they complement Canada's foreign aid policies. By allowing developing countries preferential access, we will continue Canada's tradition of assisting the developing world. We will also keep to commitments toward international development that Canada has made on many occasions in forums such as the G-8, the World Trade Organization and the United Nations.

•(1020)

[*Translation*]

Hon. members should note that all other major industrialized countries provide preferential access for developing and least developed countries and some, such as the United States, Japan and the European Union, have recently extended similar programs.

A final reason why extending these programs makes sense concerns their impact here at home. While these programs were mostly conceived as an economic assistance measure for developing and least developed countries, they also benefit Canadians by providing them with goods that are subject to lower rates of duty.

As a result of lower tariffs on goods from the developing world, Canadian consumers enjoy access to imported goods at competitive prices.

Also, Canadian producers who rely on goods from developing countries as inputs also benefit from the reduced tariff, which helps them reduce their production costs and hence, increase their competitiveness. Accordingly, these tariff programs contribute to the economic development of the beneficiary countries while allowing Canadians to benefit.

It is important to know, too, that under these programs, preferences can be withdrawn if they are found to be injurious to domestic producers. I want to assure the House that, where imports at a reduced tariff are found to be injurious to Canadian producers of particular goods, the government has the means to remove the lower tariff for such goods.

There is another point I want to make before closing. Not only will this bill allow for the continuation of Canada's support for economic growth within the developing world, these programs will continue to make an important contribution to the Canadian economy.

In 2003, Canadian imports under the GPT and LDCT were valued at \$9.7 billion, and these programs reduced the amount of tariffs paid by Canadian importers by approximately \$273 million. I mentioned earlier that the reasons that justified the introduction of the GPT and the LDCT decades ago still remain.

The economies of many developing countries still have to make great strides if their citizens are to attain acceptable income levels. Despite the progress of the past decades, the United Nations estimates that 1.2 billion people—one-fifth of the world's population—still live on less than US\$1 a day.

Bill C-21 constitutes one substantive measure Canada can take to continue to assist the developing world in achieving the goal of poverty reduction and continues Canada's long tradition of helping poorer nations.

In considering this bill, I encourage hon. members to keep in mind that Canada stands with all other major industrialized nations—the United States, Japan and the European Union—in supporting the developing world through preferential tariff programs.

Government Orders

I would also encourage hon. members to keep the following points in mind: first, that a 10-year extension of these programs is consistent with past practice and will continue to provide a predictable business environment to traders—we will know where we are going; and that a 10-year extension of these programs will reaffirm the government's long-term commitment to international development.

In closing, I simply want to remind the House that our colleague, the Minister of Industry, recently announced various aid measures, in particular for the Canadian textile and apparel industry, for a total of approximately \$60 million over the next three years.

I encourage all hon. members to support this bill.

[*English*]

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I have a question for the hon. member related to the issue before the House. The hon. member will know that during the committee hearings on this bill, Canadian apparel manufacturers appeared as did other people from the clothing industry.

They have made a rather compelling argument that what the government is doing now through the extension of the LDC tariff without doing some other things together might constitute some harm to the industry. I think of the argument they made about reducing or eliminating tariffs on input to their industry. I think particularly of the argument of Bob Silver of Western Glove Works about the tariff on denim fabric which comes into the country. As of this spring nobody will be left in Canada who makes denim.

Who is this tariff protecting? In fact it is creating a situation, as Mr. Silver argued quite eloquently before the committee, in which he may be put in a position of making these clothes somewhere else where he can import the denim duty free. He will make the clothes in Mexico or somewhere else and then sell the clothes in Canada. As he said, it does not matter to him. He still makes money. It is Canada that loses because the jobs in Winnipeg or elsewhere are affected by the inertia of the government in not removing this tariff on inputs that no longer have domestic competition.

Canadian jobs and particularly new Canadians will be hurt. New Canadians tend to work in his industry. As he says, they are not just producing jobs, they are producing Canadians. This is the way people enter the labour market. I am asking the question because a lot of good things happen here, and they are at risk because of the government's apparent unwillingness to move fast on this.

Will the government move fast now to eliminate these tariffs on inputs that no longer have any domestic manufacturers thereof?

•(1025)

[*Translation*]

Hon. Denis Paradis: Mr. Speaker, to put everything into context, these tariffs exist to help less developed countries. This has been mentioned many times. I think that Canada has to do its part.

With respect to our Canadian industry, our local industry, my hon. colleague mentioned two main components: the textile and apparel industries. A few weeks ago, our colleague, the Minister of Industry, announced specific measures totalling some \$60 million over three years to help both of these sectors.

The textile industry needs assistance more in terms of funding and restructuring, while the apparel industry is looking for lower tariffs when it cannot find the raw materials it needs on the Canadian market. In light of this situation, the \$60 million over three years should be divided between the textile and apparel industries.

In practical terms, there has to be consultations. They have to come together to reach an agreement. I have also had the opportunity to speak with representatives from both the textile and apparel sectors. We want to make sure our Canadian industry is not penalized because we are helping other countries.

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I would like to ask the hon. minister to be careful concerning the point our colleague from Winnipeg—Transcona has just raised. In fact, the minister himself said it well in his reply. The two parts of this large industry are far from agreeing with each other.

In my riding, we recently lost the Consoltex factory, in Alexandria. Its product is not apparel but textile. I know that these people have a very different point of view from that raised by the hon. member for Winnipeg—Transcona.

We must fulfil our international obligations, as the minister said so well, but at the same time, we must remember that the textile manufacturing industry has different interests. Canadians work in that industry, too.

It is all very well to say, in the case of one particular type of fabric, that it is no longer manufactured in Canada. But we must not forget that the clothing industry is very complicated. In fact, to a great extent, it is a kind of fashion industry, that is, it is not an essential industry. If we wore only the clothes we had to wear, rather than those we want to wear, things would be very different.

Consequently, there are substitutions among articles of clothing. Even if a certain fabric is not manufactured in Canada, people in other sectors feel the impact because, of course, another fabric could be used.

I invite the minister to proceed with caution, in the way he has explained, so that we can preserve both these industries, not only clothing but also textile, which is also very important.

Government Orders

•(1030)

Hon. Denis Paradis: Mr. Speaker, first I would like to thank my colleague, the hon. member for Glengarry—Prescott—Russell for his remarks. I would simply add, in support of the hon. member's comments, that while they may have diverging views, the various sectors of the industry do talk to each other. Indeed, the textile and clothing sectors have meetings.

We hope that a global agreement will be reached and that the amount of some \$60 million, over a three year period, can be the topic of discussions between the clothing and textile sectors. In terms of their importance in Canada, these two sectors are on an equal footing.

So, it is important that the textile and clothing sectors can talk to each other, because it is of course in our best interest to ensure that Canadians come out ahead.

[*English*]

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I too want to echo the concerns raised by the two members who specifically questioned the minister about the impact on the textile industry. I believe the minister may have referred to this, but I believe December 31, 2004 is the exact date when the remission orders, which applied to textile industries, will be eliminated. If remissions are removed from these various industries, the inputs they use and obtain from many countries will skyrocket because, as some of our colleagues have mentioned, they are not available in Canada. The duties on those products will go extremely high which will force prices in the country to raise to unprecedented levels. As my colleague from the NDP said, this will have a huge impact on Canadian workers.

One thing the government has an opportunity to address, given that there is goodwill to extend these preferential tariffs, is the issue of remission orders. I believe all parties are generally supporting the move to have this legislation pass. It would be good to have an indication from the Department of Finance that it will address the issue of remission orders with these industries. It would put our industry at a huge disadvantage if there were no reciprocal agreement or some sort of extension of remission orders. We have said that we would extend those for the next seven years. I believe they initially were extended in 1997.

Could the minister comment on that because I think the industry faces a huge problem?

[*Translation*]

Hon. Denis Paradis: Mr. Speaker, I would like to quickly comment on the decision made in Kananaskis to help the least developed countries. Helping the 48 least developed countries is an important initiative because, as we know, most of these countries are in Africa.

There is also the Canada fund for Africa, which was announced last year by the Canadian government. Out of a \$500 million fund, an amount of \$100 million was set aside to create partnerships with Canadian businesses. The private sector is also expected to contribute an amount of \$100 million which, in the end, should provide an investment fund of some \$200 million.

The objective is to ensure that we provide help, particularly to the world's poorest continent, a continent where life expectancy continues to drop, while poverty is constantly on the rise. Under these circumstances, it is definitely in the interest of a number of African countries, including those that produce cotton—such as Benin for example—to associate themselves with Canadian businesses to develop their industry, as I have mentioned on several occasions.

I realize that this is not a cure-all. What we are trying to do as a government, and I think we are succeeding, is to first meet our international obligations, but also to lend a helping hand to the poorest people on the planet while protecting Canada's textile and clothing industries.

•(1035)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I would like to ask the minister a question. Last week, there was talk of lifting all quotas on textile and clothing imports from China. I know that this is not strictly related to the bill before us this morning, but it is along the same lines.

When the government implements measures affecting tariff and non-tariff quotas—for example, to decrease them—does the government consider the potential impact on Quebec and Canadian companies? In particular, does it consider unfair competition from those countries? For example, it is commonly known that there are doubts about China's willingness to practise fair competition with regard to our own apparel companies, especially if quotas are lifted.

Many apparel manufacturers in my region of Saint-Hyacinthe, as in the regions of most of my colleagues, were hurt by this announcement. Already, subcontractors are looking to China, abandoning local producers to buy from countries that do not necessarily practise fair competition.

I want to ask the minister this: Does Canada consider this kind of thing? I am not talking about a mere transition policy to help companies; I am talking about ensuring that competition is truly fair. There are no problems when trade is fair. But when it is not, we do not want to pay the price of unfair competition.

Hon. Denis Paradis: Mr. Speaker, I thank the hon. member for Saint-Hyacinthe—Bagot for this question. First, it is important to realize that the purpose of this bill is not to decrease tariffs, but renew existing tariffs for 10 years.

Second, the clothing and textile industry in Canada is asking us for help. At the same time, we are saying that a certain amount of money will be granted to the textile industry over three years and another sum of money will be available to the clothing industry. This is to determine which tariffs can be reduced in terms of the products unavailable in Canada to this industry.

Representatives from the clothing industry reminded us that these tariffs are in place to protect the Canadian industry. They must not become a type of tax or a source of revenue for the government. They must be used to protect the Canadian industry.

Government Orders

With that in mind, it is important to realize that high tariffs on products unavailable in Canada can be reviewed with both the clothing and textile groups with an eye to possible reductions. There is nothing specific about China. To my knowledge, China is not the focus.

I will reiterate: I am asking for support from all members so that we can renew these tariffs for 10 years as quickly as possible.

Hon. Claude Drouin (Beauce, Lib.): Mr. Speaker, I would like to add a comment. I think that the \$60 million invested by the Government of Canada is a significant amount and my hon. colleague, the minister, is aware of that. We must be vigilant. Quebec, and the Beauce in particular, is very much affected by globalization. It has an important impact on our region.

I hope that the department of industry or foreign trade will follow up on this, to ensure that jobs at home are protected and that we are in a position to allow Canadian businesses to establish partnerships with developing countries to build on the offer made here, to protect our jobs and add value to our products. In this way we will be able to get through this crisis. It is important for there to be follow-up. I am happy to see this \$60 million being invested by the Canadian government.

• (1040)

Hon. Denis Paradis: Mr. Speaker, first of all, I would like to thank and congratulate my colleague, the hon. member for Beauce, former Secretary of State for Regional Economic Development, who has done a great deal for this industry in Canada. Many thanks to my colleague, the hon. member for Beauce, for having worked very hard for this industry in Canada and having helped it to achieve a solid position.

Of course, what is important in all this is our Canadian jobs. Of course, what is important in all this is to help people. I also thank him for having pointed out the aspect of the aid we could give with the fund I was speaking of earlier, to help Africa and others. We can certainly encourage our Canadian businesses, and their managers, to help train African businesses, in the least developed countries, in sectors where the need is the greatest.

[*English*]

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, it gives me great pleasure today to speak to Bill C-21. As we heard from the minister who just spoke, the bill is an act to extend the two areas of tariffs for another 10 years: the general preferential tariff and the least developed country tariff.

Before I go into the details of some of the bill and some of the concerns that we have, as well as some of the things we support, I want to clarify one thing which I think the minister has misunderstood.

Everyone in the House wants to support the strategy of the government that would extend these tariffs to least developed countries. Obviously it is a good thing for Canada in its strategy to help many of these developing countries. It would give the opportunity for many of these countries to actually develop their own industries, to hopefully become stronger, more developed economies.

I know the bill does not address the area of remissions because that is a separate area that is set by the Department of Finance through orders in council. Clearly, one of the things we have to be cognizant about if we are moving forward to extend these tariffs for another 10 years is we have to see what sort of measures have been kept in place in order to help Canadian industry.

In some of our strategies internationally, whether they are free trade agreements or various reciprocal agreements under various existing organizations like the WTO or the Free Trade Area of the Americas, there are certain things we have to take into consideration to ensure that Canadian industries are not put at a disadvantage. If anything, we want them to be on an equal footing or to be able to take advantage of these trade relationships that we develop with various developing countries.

In extending these tariffs what the minister failed to address was that area which I addressed in my question to him, the expiration of the remission orders that are extended specifically to textile industries. The concern is that if those particular remissions are not addressed, whether the tariffs would be reduced for inputs or whether those remission orders would be extended, we would have a serious problem in this country where some of our textile industries would be put at a huge disadvantage. As I said, their inputs would skyrocket at the end of this year, which would then threaten potential Canadian jobs as well as our relationships with trying to produce these products here at home.

I am happy the minister talked a bit about some of the products that are not available here in Canada, some of those inputs. He will try to address that and make sure that we try to address the tariffs or duties on those particular products. It would be nice to see, with the support that I believe he has in this House for the passage of this bill, the Department of Finance actually come up with some concrete steps as to how it will address those potential problems that arise after the expiration of the remission order.

I would like to address some of the good things under Bill C-21, the extension of these various tariffs in the two particular areas for the next 10 years. Obviously we on this side of the House see the benefit of that and support it.

I will give a little background and then I will address our party's position on the bill. Also, even though we agree with this particular direction of the government, I will address how we would do things a little differently, especially when it comes to pursuing more free trade agreements with various of these countries and trying to address some of the concerns that obviously are arising with various industries.

As was mentioned, Bill C-21 would extend the general preferential tariffs and the least developed country tariffs to June 30, 2014. These two tariff categories reduce the tariffs that would otherwise apply on goods imported from developing countries.

The rate of tariff on goods entering Canada varies depending upon what the good is and from which country it originates. In the absence of any specific concessions, the 35% general tariff applies. There are only a few countries that still fall under that general tariff of 35%. Most countries would have actually either negotiated a reduced tariff or they would fall under those two categories.

According to Department of Finance lists, the countries that still fall under that 35% rate are Albania, North Korea, Libya and Oman. For all other nations, unless there is a specific other trade agreement such as NAFTA, the most favoured nation tariff applies.

The rates are usually much lower than those set out in the general tariff, as I mentioned. Those are often much lower than what the Department of Finance officials said, that the average falls, I think, between 10% and 12% and often many are zero.

• (1045)

The rates are usually much lower, as I mentioned, and they apply to members of the World Trade Organization and to some non-members as well. Canada, along with other developed countries, has two other categories that allow goods from developing countries at even lower rates of tariff. The goal is to aid their economic development, as the minister said, and I think most Canadians tend to agree. It is a good strategy in trying to help many of the developing countries develop their economies and become self-sufficient in a positive way which is a benefit to their industry but also to Canadian industry.

The first category is the general preferential tariff which, as we know, was established in 1974 for a 10 year period until 1984. It was then extended to 1994 and then to 2004. It provides tariff reductions beyond the most favoured nation rate to approximately 180 countries. That is what we are discussing today in Bill C-21 which would extend that general tariff rate for another 10 years.

The second category, as was mentioned by the minister, is the least developed country tariff. This provides 48 of the world's poorest nations with duty free entry into Canada for goods other than certain agricultural products. It was introduced in 1983.

Some people have asked which countries fall into that category. The information is available on the government's website, but I thought it would be useful for the debate so that people have a context as to which countries fall under those tariffs. I will not read all 48 countries, but at least this will give people an idea.

The least developed country tariff applies to Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Laos, and the list goes on and on.

On a cold wintry day like today, it is kind of nice to read about these countries. It warms my heart to think that there are people enjoying nicer weather than we are here. Nonetheless the list continues on and there are a number of African countries to which the least developed country tariff applies. I will not bore the House with the rest of the list, but it gives an idea of some of the countries that are on it.

Just to give the House an idea of how this works, there is an example that I will use. Table cutlery from North Korea faces a 35% tariff under the general tariff; an 11% tariff if imported from Italy under the most favoured nation tariff; an 8% tariff if imported from Poland under the general preferential tariff; but zero tariff if imported from Angola under the least developed country tariff. As we can see that gives the incentive for Canadian importers to deal with those particular countries that fall under the least developed country tariff

Government Orders

regime. Obviously they benefit from importing those particular products, in that they do not pay those high duties.

The general preferential tariff and the least developed country tariff categories will cease to exist after June 30, 2004 unless legislation is passed to extend them. That is what we are dealing with today in the House.

The result is that importers from the beneficiary countries would instead face higher tariffs at the most favoured nation rate. That would obviously cause a problem with the developing countries.

The incentive to encourage development in many of the developing countries is a good one. I think Canadians have always been in support of various strategies that help. Whether it is foreign aid or the evolution of many of these economies, Canadians tend to support it.

There is a great benefit if, not only alongside some of our foreign aid strategies, we focus some of our strategies on developing industry which is also reciprocally beneficial to Canadian industries. That is something we have a real interest in on this side of the House, especially in the Conservative Party.

We in this party have always believed in trying to pursue significant trade agreements, freer trade agreements. We have always encouraged governments to pursue the work under various international organizations such as the WTO. We have engaged in trying to support the process under the Free Trade Area of the Americas so we can try to address some of the other areas of industry that maybe fall through the cracks or that we can actually benefit in trying to pursue freer trade agreements.

• (1050)

Some people have asked about one concern: How does this particular extension of these general tariffs affect our relationships in many of our trading agreements? I believe that all the extensions of these tariffs to these least developed countries, as well as general preferred countries, are regulated under the WTO. There has been much discussion and debate. We are not really doing anything different from what many other countries do in approaching the way we deal with tariffs in these countries.

There is one thing that I know has been mentioned and this is what would happen if this legislation does not pass. What will happen if we do not extend these particular preferential tariffs in these particular categories? If they expire without that extension, then we could have some real instability in our import market, clearly because of the fact that tariffs will start applying and will throw off many of the relationships we have. As I said, it would put many of our Canadian industries at a bit of a disadvantage, especially in regard to the vast number of countries we trade with.

Government Orders

Ultimately what we would like to see in Canada is a two-pronged strategy. We would still extend these two areas of tariff reductions. We agree with the extension of the general preferential tariff and the least developed country tariff.

However, one thing Canada should further pursue is free trade agreements, which will lower the tariffs in a controlled manner. This would allow Canadian exporters to access many overseas markets while opening up our own markets for cheaper imports. This is something we should continue to do. I know that Canada has a number of trade agreements with a number of countries. Whether or not they are free trade agreements, we do have bilateral trade agreements with a number of these countries. They address certain areas. Often they are not blanket trade agreements. Canadians obviously need certain products and those countries are mass producers of those products, so it is a positive relationship.

Again, this is something that we should continue to do, and not just in certain areas. On this side of the House we believe that freer trade agreements should be addressed on all levels, obviously to try to encourage further growth in developing countries but also to extend abilities for Canada where products are not available, or for exporters or business opportunities in many of these developing countries as well. We would definitely urge the government to continue to review those agreements that are in place and continue to pursue freer trade agreements.

We also would urge the government to try to encourage a less complicated system when it comes to various tariffs and various agreements being created with these countries. If Canadians decided to take a look at some of these agreements we have in place because of these two particular categories, they would see that it is a very confusing system. Also, it is very ad hoc depending on how the Department of Finance decides to deal with the particular countries.

When Department of Finance officials were at the committee, many of them said that is the way they actually deal with cases. They try not to bring in issues of human rights or other problems that they may have directly related with some of these countries. That is one way they can respond in case a conflict arises with a particular country and we do not agree with a certain direction that country is following.

Through orders in council, those various tariffs can be changed, not those under the general preferential tariff or the least developed country tariff, but in other cases that may arise when we look at sanctions or other issues. This is a tool the government has with orders in council to respond to various countries. Obviously on this side of the House we are a bit concerned about the government having that kind of power to just set tariffs ad hoc without any real process in how they would be established.

There is one area I wanted to address, which probably a few of my colleagues from the NDP and a few government members have addressed with the minister. It is the issue of remission orders. It sounds a bit complicated, but let me give an explanation. Even though it does not fall under this bill in particular, it is so closely related that we must address it.

I am happy to say that in committee, as was mentioned by one of my colleagues, the members of the committee heard from this

particular group of the textile industry. We were concerned enough that we were able to pass a motion unanimously to address this issue with a couple of recommendations for the Minister of Finance, so that in the passage of this bill consideration hopefully will be given to the textile industry and the extension of those remission orders.

● (1055)

Remission orders have been around for quite some time, as I have identified, especially in industries that have been affected negatively. I will explain. There are remission orders for various textiles. Specifically, there was a new shirt remission order that provided shirtmakers with transitional assistance to help them remain in the shirt business in Canada. Similar remissions are also being considered for manufacturers of outerwear apparel and women's blouses and shirts. Shirting fabric and outerwear fabric are subsectors that are currently receiving assistance under existing remissions.

This means that the duties on those particular areas of fabric will be reduced. Duty remissions will enable Canadian manufacturers to complement the products they manufacture in Canada, so that would help to continue to encourage our industry to grow and flourish here in Canada. It will also help textile and apparel manufacturers in these import-sensitive sectors to adjust to the same kind of increased competition faced by shirtmakers.

As I mentioned in my question to the minister, the remissions will be terminated no later than December 31, 2004, to give Canadian manufacturers enough time to adjust to a more open freer trading regime and will not be renewed.

That was the attempt by the government to say that it wanted to put a limit on these remission orders, because if we look at the various agreements that exist within the textile industry area we see that many of them are very outdated. Ultimately there was this extension of remissions to reduce the duties in that particular area so that we would not put our own industries at a disadvantage.

But I think we have to go a bit further and modernize some of the rules under which the Department of Finance deals with this industry, because clearly they are outdated. To continue to extend remission orders is not really the answer if we can negotiate these tariff issues ahead of time, if that is allowed to happen. I believe that the former finance minister, the Prime Minister, said he was not going to extend those particular remissions. We could have a huge problem with the benefits these particular companies receive when it comes to the various inputs they rely on in producing their products.

One of the things we have agreed to, if the Department of Finance will address this issue, is to extend those particular remission orders for another seven years. We are not sure yet what the government plans to do. The minister said he is taking that into consideration, but clearly if it is not addressed before the end of the year, as I have already mentioned, we are going to put our industry at a huge disadvantage. We hope to see some indication from the Department of Finance that this issue will be addressed.

Government Orders

As I have said, extending this would specifically help Canadian companies with their inputs. Some of these products are not available in Canada, so clearly that is something about which we should be cognizant. If we are not producing these products at home, we should lower those tariffs because it would give the opportunity for Canadian companies to access those products. An example is lycra or other polysynthetics that are not produced here. Importing these products is very expensive.

There is another area that was not addressed by the minister. We hope the finance department and the minister will address it. There still exists a gender bias on products. I will give an example of what that means. We need to eliminate the tariffs that create this gender bias on fabric. For instance, if importers import silk to produce ties for menswear, the tariffs are not high; they fall under the preferential tariff. However, if they import silk products to produce women's blouses, they are subject to higher duties and tariffs. It is unusual that this sort of gender bias exists in this day and age. Unfortunately, the particular tariffs that apply to these textile industries have not been modernized. That is a scenario I hope to address as the committee deals with this bill. I hope to put forward some amendments or recommendations and I hope the Department of Finance will consider them.

To conclude, I will reiterate that our side of the House, the Conservative Party, will support this bill to extend these various tariffs. We think it is important given the way that our tariff system works, especially in our trading agreements around the world, but we also encourage the government to address some of the failures, especially as applied to the textile industry, but also under the FTAA and other agreements we have. We encourage the government to continue to pursue free trade agreements that will help to keep our companies in Canada on an equal footing with those in other countries as well, even alongside our developing strategies, whether they be commerce or aid related strategies.

• (1100)

Mr. Roy Bailey (Souris—Moose Mountain, CPC): Mr. Speaker, my colleague and the hon. member from Winnipeg mentioned fabrics in some detail. I believe one was denim. I am particularly interested in the fact that in Canada we do not grow cotton which, throughout the world where it grows, has great competition from synthetic fibres.

However, we are doing something in Canada and within my own constituency. We are developing a hemp plant, an amazing plant that can be grown best in western Canada, albeit it has to be licensed. I have seen some of the products made from it. Talking about denim, as my colleague was, we could produce denim here that would be equal to or greater in wearability than that which we import. Not only that, there are many other uses.

In looking at this bill, we see that we are going to spend \$60 million, as my colleague has mentioned. I am not saying that this money should come out of this bill, but I suggest that in order to balance it we could sell raw material as well as produce textiles here. I have seen jackets similar to this in the experimental stage. They can be made here. Not only could we produce raw material for other

countries, but we could lessen our dependency on some of the imports.

Here is what I want to ask my hon. colleague. Would it upset this bill if we took some innovative money from other sources opposite us here, from western development and so on, and worked in earnest on developing a type of plant and product that not only would serve the textile industry in our own country but would have various other uses? Much would have to be produced. For instance, we could make tarpaulins and certain types of rope, et cetera. We can make them all here, but we are reluctant to do so and I am reluctant to say we should. I do not know enough about why it cannot be done. I would like to ask my hon. colleague if he would not encourage this type of thing, which is all part of the balance of trade options.

Mr. Rahim Jaffer: Mr. Speaker, I thank my hon. colleague from Souris—Moose Mountain for his excellent question and his concern for the way that Canadians can actually continue to develop new industries and support existing industries here at home.

As he rightly mentioned, this bill does not deal with these particular areas of trying to develop new textiles and new raw materials and that sort of industrial support, I guess we could call it. This simply deals with our current agreements in extending those general tariffs to least developed and preferred countries.

The hon. member has raised a very important issue. I think the government should consider it. I would also encourage the government to consider that here in Canada where we do have the ability to produce raw materials, we should continue to do that. We should give industry the incentive not only to produce it here but to continue to develop it into a final product rather than either exporting our raw materials or sourcing out raw materials elsewhere.

As I mentioned in my speech, clearly the idea of helping to develop least developed countries is something that I think Canadians support. We have to be cognizant about Canadian industry to make sure that we do not put it at a disadvantage, but the idea, as my hon. colleague talked about, is to produce hemp or other forms of raw materials, if the government could produce some sort of incentive. There are ways to do that, whether it is some sort of tax incentive or other forms of incentive to create and stimulate new areas of industry and growth in this country. Of course we would encourage the government to pursue and support that.

Clearly that is a separate issue, and we hope to continue, as my colleague has done, to encourage the government to pursue those sorts of support mechanisms and at the same time, under this particular bill, the things that we are pursuing for the future. I hope that in pursuing the strategies we have, we do not put Canadian companies and Canadian industry at a disadvantage but instead help to develop new opportunities for industry here in Canada.

Government Orders

• (1105)

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, I am concerned about two issues. One would be the apparent conflict between the needs of the apparel industry and the textile industry when it comes to the importation of fabrics and the tariffs applied on those fabrics. The needs of the two industries are different.

The other issue is the whole notion of the ability, especially in today's world, of corporations and companies, which may be currently providing employment to Canadians, to simply move offshore to a venue where wages are cheaper, thus depriving Canadians of jobs.

In our recent leadership contest, one of the candidates, Ms. Stronach, noted that in her industry, the automotive industry, one major corporation had indicated to her that currently it was outsourcing \$1 billion of goods from offshore, and that within the next couple of years it intended to be sourcing offshore something in the neighbourhood of \$14 billion worth of goods. The fact is that those goods probably were supplied previously by manufacturers in North America and likely many of those jobs were Canadian jobs.

This bill has come up very quickly. We are now in rush mode. We want to get the bill through Parliament because the treaty is expiring and yet there are a lot of questions about what actions the government may or may not have taken when it comes to protecting the interests of Canadians with this. We all appreciate the need for encouraging development in third world countries, which is very important, but at the same time there is this balancing act of protecting the jobs of Canadians.

I wonder if my friend would have any comment on those issues.

Mr. Rahim Jaffer: Mr. Speaker, my colleague has raised the concerns that most people have been discussing.

I would like to address his first point concerning the haste with which the bill has come into the House, given that those preferential tariffs will be expiring very shortly. It is kind of hard to believe that the government has waited this long to address this issue so that we could have had further debate or a further study even in committee to maybe look at different approaches.

Because of the interest of the committee, I was glad we were able to raise the idea of specifically addressing the textile and apparel industries and the disadvantage in which they may be placed. Hopefully we can give recommendations to the finance department.

However, as I have outlined, the bill would extend those general tariffs in a way that has been consistent with the way Canadians have approached the issue. It does not necessarily give a disadvantage to the other industries that my hon. colleague mentioned.

I believe it is the government's responsibility, in pursuing these free trade agreements and in pursuing either remission holders or other areas that will help various industries to compete effectively internationally, to do it vigilantly, to make sure we keep our industry on an equal footing and that we do not put our industries at a disadvantage.

We can do that in many ways, but mainly, as I said before, by pursuing freer trade agreements with many of these countries.

Currently we have bilateral agreements with various countries and they only touch on various industries. They are not as extensive as possibly they could be to allow for Canadians to take advantage of some of those issues of employment here at home, sourcing products here at home, those sorts of things that help our economy and that continue to produce new products and stay innovative and competitive.

I would say the government has failed to address those issues and to create that here at home, which is why we often have problems with countries going overseas.

Many of the countries that are sourcing these products are not developed countries, and we should not fool ourselves. They are just markets where they actually get cheaper products and cheaper goods. We have to make that distinction, and I am glad my hon. colleague did that.

• (1110)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I am pleased to speak today on Bill C-21. In my opinion, part of what we are addressing today is our vision of development aid.

I would remind hon. members that the purpose of this bill is to extend two customs tariff programs for another ten years. The first of these is the general preferential tariff and the second, the least developed country tariff.

The GPT dates back a good number of years—more than 25 now—to 1974. It reduces Canadian customs on a broad range of products from more than 180 developing countries. This tariff agreement, as we know, is also part of the agreement establishing the World Trade Organization.

Then there is the LDCT, which is a more recent development, although also several decades old now, dating back to 1984. It provides complete duty-free access to all imports, except for certain agricultural goods, from the 48 least developed countries, according to the United Nations.

Consequently, the bill is intended to extend to June 2014 existing provisions of the Customs Tariff legislation designed, as I mentioned, to provide developing countries with preferential access to the Canadian market. In this respect, we cannot disagree with Bill C-21.

The Bloc Québécois, like everyone in Quebec, has always defended the idea that developing countries have a right to develop, and that closing our borders to their products is certainly not a way to help them develop.

Therefore, we want to be consistent with our approach to helping these countries develop, in particular through official development assistance. If, on the one hand, we did that, while, on the other hand, when these countries made an effort to develop, we closed our borders to their products, we would be completely contradicting ourselves.

Government Orders

That said, I must point out that, while Bill C-21 is a good thing in principle, there are a number of reasons for caution. I will come back to them. I would also like to point out the fact that the great contradiction is not in bringing in Bill C-21, but in bringing it in with the levels of official assistance that Canada is currently providing to developing countries.

I remind the House that, since the Liberals have been here, official assistance has decreased by nearly a half. When the Liberals came to power, official development assistance was at nearly 0.5% of the GDP or GNP in Canada, while on the international scene, the agreed-upon standard—and I believe it was the former Prime Minister of Canada, Mr. Pearson, who proposed this—is 0.7% of the GNP or GDP.

Thus, when the Liberals came to power, we were almost three-quarters of the way there. Now, we are one-third of the way there. In 1993-94, when the new finance minister, now the Prime Minister, arrived, there began a time of draconian cuts in Canada's official development assistance, which dropped from 0.49% to 0.44% of GDP in 1993-94 and hit rock bottom in 2000-01, with 0.25% of GDP. There is nothing to be proud of in this. At present, it stands at about 0.27% of GDP.

The great contradiction in introducing Bill C-21 is that on one hand we are opening our market, but on the other hand we are not giving them the means to organize their development, not only from an economic perspective, but from a social perspective as well. When Quebecers support a bill like this, they do so to ensure that development does not benefit just a handful of people in these countries, but everyone, whether in Bangladesh, Cambodia or any of the 48 least developed countries.

I remind hon. members that these 48 developing and least developed countries represent 614 million people in Southeast Asia but mostly in Africa. I also remind hon. members that the average annual income of the inhabitants of these 48 countries is \$500 or less. Imagine the poverty.

• (1115)

Some 40% of the inhabitants of these 48 countries live on only a dollar a day. This is another example of how far these countries are lagging behind. This has appalling consequences from all perspectives, not only on general living conditions, but also life expectancy. The average life expectancy in these countries is 25 years less than the average for developed countries.

We really need to open our borders to their products and properly invest in official development assistance. We must reaffirm the need for 0.7% of the gross domestic product, which is also called the gross national product. Gross national product was used as an indicator to describe the wealth of a country when the international community agreed on a target. Now we talk about the gross domestic product, but, overall, it amounts to the same thing. Not only must we reaffirm the objective of 0.7% of the gross domestic product, but we must have a very specific plan to achieve this goal in the next few years, not the next several decades.

We can only hope that the upcoming election campaign will enable the Liberals and the other parties—as the Bloc Québécois will be doing—to make some very firm commitments, not only with

respect to the objective but also with respect to the specific plan for achieving it. We know that this government is very strong on rhetoric but very weak on actual game plan. When I was at the CSN, we likened such people to drivers who always signalled a left turn and then turned right. This is the case for the Liberal party, the party of the current Prime Minister and former finance minister.

Over and above Bill C-21, which is fully in line with our vision of development, we also expect to see Canada invest properly in official development assistance. We therefore expect a firm commitment of 0.7% of GDP, and also a plan to achieve that within about 10 years, tops. Perhaps by 2014 such a law will no longer be needed. We may be able to open our borders to all countries, in the realization that everyone will be on the same footing as far as competition goes.

There are still some concerns, and I will get to them now. These least developed countries are often involved in industrial sectors in which Canadian and Quebec businesses are engaged here. There is therefore a totally legitimate concern on the part of both workers and entrepreneurs about the survival of these industries in Quebec and Canada.

Often, unfortunately, this government's approach is somewhat paternalistic or fatalistic when it comes to a number of industrial sectors with a heavy presence in Quebec. I am thinking of the garment and textile industries, for instance. I remember my days at the Université de Montréal as a student of economics in the early 1970s, when there was talk of soft sectors. The garment industry was one of those soft sectors with no future. The government's approach to this was merely to see how plants could be closed down as quietly and as quickly as possible.

At that time there were 40,000 garment workers in the greater Montreal region. That meant 40,000 jobs that were threatened, jobs the federal government merely crossed off. Its attitude: that's life, the natural economic trend, and these soft sectors will simply disappear from our economy and reappear in the developing countries. The federal government adopted a fatalistic attitude.

Fortunately for the industry itself, for the workers, for the unions involved and for the community, thanks in part to the considerable assistance provided by the City of Montreal at that time, the apparel industry is alive and well in Montreal and still accounts for 40,000 jobs. Obviously, we have not been able to increase employment in that industry, but we have managed to maintain it at the same level despite the fatalistic attitude of the federal government and its lack of substantial support.

We have managed to maintain these 40,000 jobs in the apparel industry over the last 25 to 30 years, despite the opening up of markets, and we want to preserve them. To do so, it is clear that we will have to manufacture products that are different from those currently available. This has been the case in the past.

Government Orders

●(1120)

If we have 40,000 jobs in the apparel industry in the Montreal area, which is the same level as in the early seventies, it is because our manufacturers, our workers, have developed such knowledge and skills that clothing made in Montreal is more of a top-of-the-line product than clothing made in Bangladesh or Cambodia. It is a quality product and there is a market for it not only in Quebec and in Canada, but also in a significant number of industrialized countries, particularly in the United States.

We will have to intensify our efforts in that area. This time, there must be real assistance on the part of the federal government so that the apparel industry in particular—but it is also true of the textile industry—can improve the quality of its products, diversify its products and manufacture more added-value products in order to be able to maintain its employment level and—we can always dream—perhaps even increase it.

As I said earlier, there is no need to be unduly alarmed. In fact, the 48 least developed countries I mentioned earlier represent barely 0.17% of all imports to Canada. This is not even equivalent to level of assistance we provide to these countries, which is 0.27%. We are therefore talking about 0.17% of Canadian imports, with 92% of these imports originating essentially in two countries, Bangladesh and Cambodia, particularly with regard to clothing.

Consequently, we want the government to make a very strong commitment to monitoring the rules of origin on clothing from these countries. We want to avoid the type of situation we have experienced at times under the North American Free Trade Agreement. Basically, fabric is used to manufacture, in China for example, unfinished items of clothing which are then sent to Bangladesh, where a “Made in Bangladesh” label is affixed inserted, and the clothes enter Canada duty free.

Therefore, it is extremely important that the government provide the Canada Customs and Revenue Agency with the means to monitor the rules of origin and to conduct investigations. Currently, however, it does not have the resources. The measly \$5 million currently set out in the estimates will not allow the agency to act, given the complexity of the situation. Clearly, it is extremely complex. The people committing such falsification are skilled. Consequently, measures must be taken to oversee the rules of origin.

Let us hope that the government is serious when it says it is concerned about the future of these industries in Canada and Quebec and that it will take steps to ensure that the rules are respected, which is not always the case.

I am always shocked and surprised to see that Canada, particularly under this government, has earned an international reputation for being extremely naive when it comes to international trade. The former international trade minister, our resident optimist, did not help to increase awareness that people want to play with the rules of origin.

We are about the only ones who play by the rules. Everyone else uses all the tools at their disposal to bypass the rules. Canada is the only country to drastically reduce its agricultural subsidies, and open its borders without providing any help to its industries restructure and its workers retrain.

We can understand how these workers, entrepreneurs and communities would be concerned about these customs tariffs continuing to be lifted. Let us not forget that these tariffs were lifted a number of years ago.

This means that commitments more serious than those announced are in order. What good will \$60 million over three years do? For example, in the softwood lumber issue, the government's aid package was totally inadequate. It was totally useless. We called for a second phase but, again, the same former international trade minister said that this second phase would be implemented in due course. The Bloc Québécois has been calling for it for two years, and there is still nothing for the workers.

If hon. members follow what is going on in Quebec, they are aware that in recent days seasonal workers, more specifically in the North Shore region, have blocked highway 138 to show their discontent with the government's lack of action, despite the promises made by the Prime Minister.

In June of last year, the Prime Minister travelled to that region and boasted that he would support the Sans-chemise coalition, representing groups of unemployed workers, unions as well as a number of social groups. The Bloc Québécois supports that coalition. The Prime Minister told these people that he had heard them and action would be taken.

The budget speech will be delivered this afternoon. I am anxious to see what kind of action will be taken on this issue. I am sure there will be none.

●(1125)

Since there is still talk of providing assistance to industries threatened by the opening up of markets, there is form of assistance we have been requesting for a very long time, which the government has not yet agreed to, and that is an older worker assistance program

For example, when a business in the apparel, textile or any other sector invests heavily in technology or equipment upgrades in order to compete, often not a single job is created to maintain its activities or increase its production. Sometime even, it must cut jobs. In an attrition process, a company could ask workers over the age of 55 who agree—instead of upgrading or learning new skills—to take immediate retirement under an older worker assistance program, which would bridge the gap until they are eligible for pension. This used to exist.

When I was at the Confédération des syndicats nationaux, many industries took advantage of a similar program. I remember, for example, a similar program at Marine Industries, as well as in the asbestos industry. It helped to humanize reorganizations and structural changes. One of the first things that the Liberal government did when it came to power was put an end to the program for older workers adjustment.

Government Orders

Consequently, if we are serious about wanting to help not only industries, but also those who make their living from these industries, it is essential to implement an older worker assistance program. Also, the eligibility rules and benefit levels under the employment insurance program need to be changed.

Nevertheless, more needs to be done. Perhaps we fiscal measures should be identified to encourage investment in these industries. For example, I am thinking of a measure that already exists. Members will doubtless smile. There is already a similar measure in marine construction, a sector with which our current Prime Minister is very familiar, in the environmental sector, as well as in a number of other sectors considered strategic for Canada's future. This is sometimes the case, and it may unfortunately not be used often enough.

There is an accelerated capital cost allowance program for these industries. This program could be expanded to include sectors threatened by foreign competition and the opening of our borders. This would show entrepreneurs and investors who take risks that the federal government recognizes the risks they are taking by allowing them to spread capital costs over three, four, five or six years, depending on the reality in each sector, rather than on the current rule.

These are things that must be looked into. But we must have a forum for discussing them. That said, we have asked the Standing Committee on Finance to put these items on the agenda after hearing the evidence from representatives of the apparel sector in particular.

I will tell the House one last anecdote. Did the hon. members know that a manufacturer in Bangladesh who imports his fabrics from China and makes a garment—without breaking any rules—can ship that garment to Canada with no tariff? But a Quebec or Canadian manufacturer who buys the same fabrics in China will have to pay a 19% tax on those fabrics on entry. There is something wrong with that. We are putting our own clothing sector at a disadvantage relative to foreign competition.

I want the rules of the game—as I have already said—to be the same for everyone. When I spoke about the “optimism” of the federal government with respect to international rules, that is one example. Not only do we open up our market, and that is something I agree completely with, but we also penalize our manufacturers in Quebec and Canada. That is not right. We must look into it. Since I have no confidence in the government, I want the Standing Committee on Finance to look into this state of affairs.

I will close by saying that another way to help our industry develop would be to ensure that basic rights, human rights and labour rights, are respected in those countries. Canada would be well advised to sign the International Labour Organization's conventions—something it has not done. In fact, Canada has not signed the conventions on child labour, forced labour, freedom of association or collective bargaining. In that way we can ensure that the workers in Cambodia and Bangladesh will be able to form unions, organize, negotiate good working conditions and benefit from the opening up of markets.

• (1130)

[*English*]

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, I certainly appreciate the comments of my colleague and the concerns that he has expressed about the bill. I have two overriding concerns.

I am concerned about the haste with which the bill has been brought forward. This is not to suggest a lack of compassion on my part or on the part of my colleagues who have expressed concern about the bill for third world countries that rely on trade with Canada and with other developed nations as they attempt to develop their economies.

My concern lies with what I see as a growing trend by Canadian corporations to off-source supply from low wage third world countries and the attempt to try to coerce Canadian workers into accepting less than what I would think would be necessary wage and pension entitlements to survive in the society in which we live.

We can take the bill at face value, say we have been living with it for 10 years and that is all find and good, or we can look beyond that and say it is fine to continue with the bill, but what action has the government taken to address the growing offshore sourcing of products which traditionally have been manufactured in Canada.

Does my friend have any comments on that and is he also concerned by those issues that bother me?

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I thank the hon. member for his question. I think there is considerable concern at the moment that China, now an active participant in the World Trade Organization, seems to have become the world's factory floor, as I have heard it called. So, there are some very legitimate concerns about this threat.

It seems to me that the Canadian government has tools at its disposal that it is not using. I will tell you about an entrepreneur in Drummondville, in the riding of my colleague from Drummond, with whom I have discussed this. He is a manufacturer of paper bags. His competition is a Chinese manufacturer of the same kind of bags. Internationally, the cost of raw material, glue, and everything it takes to produce paper, are excessive; in other words, it costs him more to produce the bags than what he can sell them for.

Obviously, this is a case of dumping. It is extremely difficult at present, with the absence of political will, to enforce the existing rules. There is nothing forcing the federal government to accept obvious cases of dumping, of which there are numerous examples, in sectors such as bicycles and skates. If the rules on dumping were tightened up, and properly applied, and if the proper tools were in place, we could partially resolve the problem.

Government Orders

There is also social dumping, and the Canadian government is turning a blind eye to this. When, for example, textiles or carpets produced by child labour enter the country, we are not obliged to accept them. This is contrary to the conventions of the International Labour Organization. When we know that goods are produced by forced labour, by Chinese prisoners, which is also contrary to ILO conventions, we are not obliged to accept them.

But since Canada is not a signatory to most of the ILO conventions, it is not in a good position to lecture anyone else. If it did sign these conventions and take steps to enforce them, we would not longer be faced with this problem of social dumping, and these countries would be far less attractive to multinationals, because people would be able to have their rights respected.

Of course it would not be at the same level. We are not asking that the minimum wage in Mexico, Bangladesh or China be the same as the minimum wage in Canada. We are not asking that health and safety standards be at the same level. However, we are asking that there be a minimum wage and health and safety standards and that people be able to organize to assert their rights. Eventually, multinationals might find that it is not really worth going to countries where people are able to have their rights respected.

In tackling economic, commercial and social dumping, it seems we have two good ways for fighting the harmful effects of the current unfair competition, while keeping our markets open. I think the hon. member agrees that we want to keep our markets open. Canada and Quebec are trading nations; we have no interest in closing our borders. Nor, however, do we have any interest in accepting the uncontrolled free trade that exists now.

• (1135)

[*English*]

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I feel compelled to intervene on what was first raised in the closing remarks of my colleague from the Bloc Québécois and the question from the member from the Conservative caucus.

Each in their own way pointed out what I and other New Democrats in the House have been trying to point out for a long time about the current nature of the corporate globalization model which enables people to shop around globally for the lowest possible labour standards or the lowest wages.

For years we have been asking that at the WTO and in other international and regional trade agreements that there be a recognition and enforcement of core labour standards. We have not had much support in that request. As the member for the Bloc Québécois said, it is not a question of imposing Canada's minimum wage on Mexico or Cambodia. It is not a question of imposing the Canada Labour Code, although I am not sure it is as good as we think it is because recently it was of absolutely no help to Canadian workers in the context of the CN rail strike where Americans were brought in.

Everything depends on political will. We used to say the Soviet Union had a great constitution but nobody cared about it, nobody enforced it. We have many laws like that here in Canada, particularly labour laws.

I recall in 1994 when the NDP did not have party status in the House, moving amendments to the WTO implementing legislation. We were calling on the House to recognize core labour standards, and moving amendments that had to do with prohibiting the import of goods into Canada that were produced through child labour or slave labour. That was a very lonely experience.

I welcome the kind of comments that I just heard. This is the kind of argument that was made by some entrepreneurs before the committee. They said that if the tariff on fabric was not removed, it would not hurt them because in the current economy all they had to do was make it somewhere else. They would still make money, and maybe even more money.

These tariffs were designed when Canadian manufacturers, Mexican manufacturers, Chinese manufacturers, or whomever, were all separate companies. Now, those manufacturers might all be owned by the same people or the same company. Because of the global free trade economy that we have, we have a whole set of old rules that do not work in the new context, and yet we keep having debates in the House as if the world has not changed on us.

I invite the member to comment. I will be speaking next so I will probably have some time to elaborate on this point.

• (1140)

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I think it is extremely important to understand that in wanting basic labour rights to be respected, we are not asking that the approach be the same everywhere. I will give an example.

Generally speaking, union certification and freedom of association are respected in Canada. Of course, this is not always the case. The member is right. In some cases, the spirit of the law is not upheld. I will give the example of the Government of Quebec, which just overturned a labour tribunal decision allowing home day care educators to form a union. However, as a general rule, this is respected.

In Europe, this is respected using a different approach. Here, we have the Rand formula, in Europe they have other formulas, but our union rights are generally respected. That is what we want all over the world. That is the globalization of solidarity.

[*English*]

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I look forward to participating in this debate. It is an opportunity to raise a whole number of issues that do not get aired often enough in the House, or certainly not in any kind of focused or informed way. I want to pick up on some of the things that have already come up today.

First, I want to say that we support the bill. However, we support it with some reluctance because, as so many people have indicated, this is something that was developed at some point in order to create opportunities for developing countries to be able to penetrate our markets and create jobs in the third world. That is a good thing, and we have supported that.

Government Orders

It goes back to the north-south dialogue. I remember debates in the eighties about trying to create opportunities for third world countries through tariff reduction. However, that was before we had the kind of globalized economy that we have today. Now, we have the rather perverse effect that when we lower tariff barriers, for example, clothing coming into this country, we may not be creating opportunities for businesses in that country. We might actually be creating opportunities for our own business people to be able to go to those other countries and exploit lower labour standards and lower wages. Sometimes we have policies that address situations that are no longer quite the way they were when those policies were first created.

As I pointed out in a question and comment earlier, we still have tariffs on textiles and fabric, for which there are no domestic competitors. Again, I want to raise the example that was raised in committee by Mr. Silver from Winnipeg. He pointed out that he used a lot of denim fabric and according to Mr. Silver, the last remaining denim plant in Canada was scheduled to close. He was arguing, why should there continue to be a tariff on denim if there was no domestic production of denim?

Similar to the argument made by my colleague from the Bloc Quebecois, why should we have a situation in which manufacturers in Canada are virtually forced to make something somewhere else? They could import the fabric into the other country, whether it is Mexico or wherever it happens to be, make it there and then sell it into Canada duty free. However, they cannot import that fabric into Canada and make that product here. We cannot have the value added here. We cannot have the Canadian jobs here.

In the case of the garment industry, we cannot do what the garment industry has done arguably so well over the years which is not only to create jobs but in particular to assist new Canadians. It becomes an entry point for them into the labour market, into the workplace and actually into Canadian society.

If the government fails to act, if it fails to eliminate tariffs on input for which there is no domestic competition, why would the government be hesitating to do this? I do not understand it. Normally I can point to some kind of interest that is behind the behaviour of a Liberal government, but in this case, I have to chalk it up to inertia or stupidity or something, because there does not seem to be any corporate interest involved here. Perhaps there is and I am just missing it.

In any event, the minister said, when he was talking in the House, that this needs to be discussed further, that it is a complex issue that the interests of the apparel industry and the textile industry do not quite mesh and we need further discussions. Well, what is there to discuss? If something is not being made in Canada and it is needed by Canadian manufacturers in order to keep on manufacturing that particular product in Canada, then what is the point of keeping that tariff on, particularly when we are on our feet being self-righteous about lowering tariffs.

• (1145)

That fabric would continue to be made where it is made but, instead of having value added in Mexico, it would have value added in Canada. What is the matter with that? We are for lowering tariffs

and we are for value added. These are the two things that we hear rhetoric about all the time. It seems to me we can have them both.

I say to the government, there may be things that need to be discussed. There may be things that need to be addressed in the longer term and there may need to be more studies. But when it comes to certain inputs, in this case I have mentioned denim, if there is no longer denim made in Canada, then why not immediately eliminate the tariff on denim so that we do not put a manufacturer, like Mr. Silver in Winnipeg, in the position where he feels that he has to move even more jobs offshore than he already has.

As he says, it will not hurt him. He will continue to make money. He will continue to be a successful businessman. However, the jobs that have traditionally been provided in Winnipeg, in particular for new Canadians, will disappear. I urge the government to abandon this position. That is something that needs more discussion.

It seems to me that there could be much faster action on this. In fact, Western Glove Works has initiated a so-called fast track submission to the CITT, requesting tariff relief on imported denim due to the fact that effective this spring the last remaining denim plant in Canada is scheduled to close.

There is a process already in place. It seems to me that if the government wanted to show good faith on this issue and show that it understood the concerns of the people in the industry, this is one particular item on which it could move. The Canadian Apparel Federation is concerned not just about denim, obviously. This was just an example. It is concerned about other things as well.

I have a letter from the Canadian Apparel Federation, dated March 16, to Mr. Roy Cullen, the chairman of the House of Commons Standing Committee on Finance, in which it makes it very clear that if the government wants to pass this particular bill, as it obviously does, there are other things that need to be done to address the concerns of the Canadian apparel industry.

I am tempted to read the letter into the record and would call the attention of the government to this letter because I know that sometimes letters sit in files on government desks and do not ever seem to get read. I would urge the minister and others on the Liberal side to read this letter from the Canadian Apparel Federation, signed by Elliot Lifson, the president. They would see therein the kinds of things that the Canadian Apparel Federation feels that the government should do. It says:

During the hearing, [referring, of course, to the committee hearing] several concerns were raised about the apparent complexity of removing duties on textile imports. The reality is quite the opposite: It remains the prerogative of the Minister of Finance to amend the Customs Tariff as appropriate. No legislation or regulatory amendment is needed to implement these measures. As was pointed out repeatedly during our appearance before the Committee, the domestic production of textiles used by the apparel industry is non-existent in many cases, or rapidly diminishing. Many Canadian apparel manufacturers cannot source their fabric and other raw materials domestically. This is demonstrated by the high level of imported raw materials used by our industry. In previous submissions to the Department of Finance we have sought tariff relief for apparel end-uses alone, to ensure that textile manufacturers which supply other industries would not be adversely affected. This could be easily implemented, and I refer to my letter to Minister of State Paradis dated February 10th, 2004.

That is another letter I would encourage government members to get a hold of and read.

Government Orders

It seems to me that where there is no domestic competition, the government should move rapidly, rather than slowly or not at all, to eliminate these tariffs.

I also want to pick up on the point that was raised in the final moments of the presentation by my colleague from the Bloc Québécois, and that has to do with labour standards.

• (1150)

That is the other thing. It is fine to reduce tariffs and talk about a level playing field, but if you do not have a level playing field when it comes to labour standards, and I am talking about core labour standards here, then there is not a level playing field at all. All there is an opportunity for exploitation.

If Canadian workers are being asked to compete with workers in other countries who cannot organize a union without fearing for their lives, without fearing that they will end up in the river or that there will be a knock on the door in the middle of the night, which is bad enough but not as bad as being murdered, and they lose their job and their livelihood, is this a level playing field? By what feat of the right-wing imagination do people suggest that it is somehow a level playing field when Canadian workers are being asked to compete with workers in other countries who do not have these basic rights?

I want to stress that we are talking about basic rights. As I said before, we are not talking about imposing the Canada Labour Code or imposing a global minimum wage. We are talking about the ability of people to defend themselves, to organize collectively, to associate freely and to have laws in their own country that protect children from child labour and which also addresses the whole question of slave labour.

We do not have that. The WTO does not even want to talk about labour standards. Unfortunately, some of the very third world countries that I would have thought might have been interested in talking about labour standards are not willing to talk about labour standards themselves.

At one point perhaps industries in the first world would have been interested in core labour standards in the third world because that would have been unfair competition. When there is a globalized economy pursuant to the concerns raised by my colleague from the Conservative Party, that is not unfair competition any more. That is just another opportunity.

If we have unfair competition in China or some other country where there are no core labour standards and where trade unions are persecuted and where wages are abysmally low, that is not unfair competition any more. We will simply move our plant there. We will cut a deal with the Chinese government.

China is a country in which people now have the worst of all possible worlds. They have a one party socialist state with a capitalist economy. Those people really have it bad. They have the worst aspects of both systems. They have the caricature of both systems. They have the one party communist state and they have a capitalist economy where they can be worked over twice, by the state and the market.

People seem to think this is great. I do not, but a lot of people seem to think this is great, that things are really happening in China.

As I said when I spoke to second reading of the bill, what if everything could be made in China for dirt poor wages? Is that the globalization dream? All the entrepreneurs in the western world would be sitting there raking in the money because they did a fifty-fifty partnership with the Chinese government to produce something here and produce something there. The government is involved in almost everything there. The government takes its share. They have private-public partnerships down to a science there. It is a little different from what we are talking about here when people talk about it.

I am asking people to consider exactly the reality of what is happening on the ground. I am asking them to consider what is happening to workers as a result of what far too many people in our judgment have accepted as just the way it is with respect to the globalized economy.

It is a perverse moral hierarchy indeed when the rights of investors are protected in free trade agreements, whether they be regional free trade agreements such as NAFTA, or global free trade agreements such as the WTO, and the rights of workers are not only not enforced, they cannot be mentioned. It is a victory if they can get a reference to labour standards in the preamble to the agreement. That is a victory.

• (1155)

There is something wrong with this. What is even more wrong is the fact that this is not regarded as a serious problem by the government. It is not regarded as a serious moral or political problem by the Liberals.

I have been to most of the WTO ministerial meetings over the years, beginning with the first one in Singapore, then Geneva, Seattle, and most recently in Cancun. I missed the one in Doha. The Canadian government is a constant embarrassment when it comes to the whole question of labour standards.

People will know that I am not generally a great fan of the American administration, particularly the current one, but the one before with President Bill Clinton made speeches to the WTO. Perhaps he was only putting us on and maybe he was just feeling our pain, but at least he was willing to acknowledge that there was a problem with respect to labour standards, but the Canadian spokespersons would not. It has always been a source of great embarrassment and frustration to me that the Liberals have been so timid in defending the rights of workers around the world.

In conclusion, we support the bill but we see it as just an extension of an existing policy. To not extend it would obviously be an affront to the desire we have to continue policies which create openings for third world countries to penetrate our own market. On the other hand, if we continue to ignore the question of labour standards and the way in which this perverts our best intentions, assuming that the government has good intentions, and if we continue to ignore the fact that there is a need now to eliminate tariffs on fabric and other inputs particularly in the apparel industry for which there are no domestic competitors, then the government will stand accused and convicted of acting in a way that destroys Canadian jobs needlessly.

Government Orders

Mr. Ted White (North Vancouver, CPC): Mr. Speaker, it seems to me in listening to the debate today that a lot of talk about protectionism is starting to creep into the discussion about the bill. It seems to me that the member wants to have his cake and eat it too.

At the same time that he is arguing for better working conditions and better wages for people in third world countries, he wants to cut them out of free trade by applying protectionism here. It is not as much from his speech but certainly from the speech of the Bloc member before him, trying to protect our industries from outside competition.

I will give an example. It is well known and plenty of studies have shown that countries with the most free trading policies have the highest standards of living for their people and the best working conditions. We can see it ourselves in China. When I first visited China in the late 1970s, people lived in abysmal conditions. Shanghai was a horrible place. Except for the few little tourist areas that were kept nice, everything else was really awful.

Shanghai today is a modern bustling city with good working conditions for people. The standard of living has improved out of sight because China now trades freely with the world. Sure, that has meant some adjustments in our country because inefficient industries that we used to run have gone out of business.

One example relates to what the member was just saying about the textile industry. We have a tariff in place to protect manufacturers of denim who do not even exist any more because the tariff never prevented them from going out of business in the first place. It was a misguided idea to have the tariff in the first place.

The reality of free trading and world trade is that we cannot stop the progression or the balancing of trade so that the countries that are best skilled at doing things do those things.

Canada leads the world with Northern Telecom. We provide the telecom equipment for the world. We set the standard for it. The BlackBerry, or the BlueBerry as it is now called, is another innovation. There is McCain Foods as well. We have our share of companies that dominate the market because they do things really well. It disturbs me to hear talk about the idea that we should start getting protectionist again.

I will give another example. In Mexico, just across the border from El Paso, there used to be a dreadful, terrible and disgusting shantytown. Because of the free trade agreement, there are now large American companies that have established beautiful and big industries with parklands. They have cleaned up all the streams and creeks that were full of—

• (1200)

The Deputy Speaker: Order. I hesitate to interrupt but I would hope that we might be able to dispense with other communications within the chamber during the proceedings of the House. Members can certainly take them into the lobby, I understand that, but I do not think we should sustain that practice within the chamber.

Mr. Ted White: Mr. Speaker, I was just giving the example across the border from El Paso where the living conditions and working conditions for Mexican workers have been improved a thousand-fold. The streams that were once full of garbage and pollution have

been cleaned up. There are beautiful parklands. There are running tracks for the workers. There are tennis courts. There are gymnasiums that they never had before. The opportunity for advancement and improvement of their living conditions is amazing.

If we go a little further south to Chihuahua, that city is being rejuvenated because of free trade. Wal-Mart is there, which probably will upset the member, but it has generated jobs for people there. The local Mexicans can be seen shopping there for things they could not buy before. Free trade really helps.

This is really a comment more than a question. It really disturbs me to see people arguing to shut these third world countries out of a free trading environment that really truly improves the conditions for the workers.

Hon. Bill Blaikie: Mr. Speaker, I do not think the hon. member was listening, or he only hears what he wants to hear, because I was not arguing that anybody be shut out. I was just saying that the terms for being in ought to be that people can try to organize a union in their country without breaking the law, without being persecuted, without ending up in the river, and without losing their jobs.

I am not talking about trying to get rid of competition. I am talking about unfair competition. Unless the member wants to maintain that there is no such thing as unfair competition, that whatever people do in order to get an edge on their competitor is okay, and that constitutes efficiency and that is always the definition of efficiency, whatever works, whatever gives one an edge in the market, then he and I just live in different moral universes.

Unfair competition is wrong. We ought to be able to get up here and make an argument about what we think constitutes unfair competition without being told that somehow we want to shut the third world out of the global economy. That is not what I am talking about at all. What I am talking about is having a global economy in which everybody respects core labour standards, the kinds of things that people everywhere in this country have said for years that they apparently uphold, except when it comes to anywhere else, when it is not in the interests of certain corporate owners, or when it can be described as inefficient.

The member said that plants have closed down in Canada because they were inefficient. They were not inefficient. Maybe there are some plants that closed down because they were inefficient, but a lot of plants have closed down because the inefficient thing that they did was that they paid people a decent living wage. That was the inefficiency. I will not stand for a description of paying people the absolute minimum as what constitutes efficiency. What the member calls efficiency, I call exploitation and I always will.

Government Orders

•(1205)

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I listened with great interest to the comments of the NDP member. I also listened with the same interest to the remarks made by the hon. member for Joliette. My colleague referred to the naivety and “jovialism” of the former federal international trade minister when dealing with the international community. For example, the minister did not demand higher tariffs for underdeveloped countries, as one would have hoped, and he also basically excluded all forms of protectionism, while our western competitors maintain some protectionist measures.

I wonder if the NDP member could comment on the statement made by the hon. member for Joliette, to the effect that the former international trade minister showed naivety and even “jovialism” in his attitude.

[*English*]

Hon. Bill Blaikie: Mr. Speaker, I am not exactly sure what the member is referring to in terms of the former minister of international trade, but he speaks of naivety. I never know whether it is naivety on the part of the government when it comes to a lot of these issues or whether it is a wilful blindness on its part as to what is really going on in the global economy.

I have seen it so often that there is a kind of feigned innocence with respect to how the global economy works. We see it not just from the Minister of International Trade but also from the member from the Conservative Party who just spoke, that somehow everything is reduced to a question of efficiency and competition, as if there is never anything like exploitation and ethics; what is right and wrong. It is always reduced to some sort of economic language which conceals rather than reveals the reality of what is going on.

He is the only person I have ever seen get up and basically defend the Maquiladora corridor and say that things are coming up roses there for Mexican workers, that they have tennis courts. I guess we read different literature because from what I hear it is terrible there, particularly for Mexican woman.

Again, it is a naivety on the part of the government with respect to free trade and also on the part of others.

I am sorry if I am not fully answering the member's question but I think there is a lot of wilful naivety and blindness. In the Bible they talk about ears that will not hear and eyes that will not see. When it comes to corporate globalization there are a lot of eyes that will not see and ears that will not hear just exactly what is going on as a result of corporate globalization.

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I congratulate the member for Winnipeg—Transcona on his very good remarks. I believe that we as parliamentarians have to be concerned about protecting Canadian jobs. At the same time we must ensure that we minimize the exploitation of the labour force in third world countries by multinationals.

Hon. Bill Blaikie: Mr. Speaker, the member's point is well taken. The whole question of outsourcing of jobs is becoming an issue in the upcoming American election. It will be interesting to see how that debate pans out in the United States.

I take the hon. member's point as a glimmer of hope on the government back benches that they understand what I am actually talking about because one would never get that idea from listening to the answers that I have received over the years from people on the front benches.

•(1210)

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, I am pleased to take part in the debate this morning for a variety of reasons. The first point I want to make, and the one that concerns me the most in some respects, is the haste with which the government has brought the bill forward and wants to move it through the House.

The government regards it simply as a housekeeping bill, something that can be dealt with in a morning and then we should move on to something else, and Lord knows what it might be, but something that would be equally important or maybe just something else to fill time in this place because the agenda is not stacked up very well here.

What did the bill have to be brought forward at this time? The obvious reason is that time is running out for the tariff agreement. However, why the bill had to be brought forward in this manner I find disturbing. I think that underlying the haste of the bill is concern about Canada's ability to continue to compete in the world economy.

My friend from the NDP who just spoke raised some interesting issues about labour standards. I think we are all concerned about the exploitation of labour in third world countries. It is not a very pretty sight. To a large extent, it includes the exploitation of children, the most vulnerable in our society, and women. That is something that hopefully in this country we have moved beyond. We still have a place to go to ensure that labour standards are up to what we would expect. Nevertheless, these issues seem not to be addressed.

I do not mean to move off the concern about labour standards too quickly because, as I say, it is an important issue, but there is another underlying issue that has to be of some concern. Someone mentioned the tariffs on materials and products that are no longer produced in this country, which has to be a bit of a joke. What are we protecting? If we are not producing a particular material, why is that? Maybe there is a bigger question behind it. If we were producing that particular product, why are we no longer producing it?

There is an interesting parallel to denim. About a decade ago Canada took the tariff off the importation of wool and cloth for men's suits. For some reason, and I am not really privy to all of the reasons, the manufacture of men's suits now flourishes in Canada to the point where Americans come here to buy suits produced in Canada from materials produced here. There are some happenings in the manufacturing world which may on the surface appear beyond explanation, but I think there are some rationales behind it.

Perhaps in this instance there have been some initiatives by industry to produce materials in a way which is more cost effective. There has been an investment in capital so that the industry is allowed to flourish.

Government Orders

As I have said, the bill wants to continue with the tariffs that are already in place for another 10 years without any investigation of the impact they may have on Canadians or whether these kinds of laws even assist Canadian business or are a detraction from it.

• (1215)

I become disturbed when I look at the issue of tariffs and the government's concern about the competitiveness of Canadian industry. It would seem that for the last number of years, certainly while the Prime Minister was the finance minister, a great deal of Canada's competitiveness in the world marketplace was as a result of a Canadian dollar that just kept spiralling lower and lower.

I am sure everyone would agree that simply having a weak dollar as the bulwark of our manufacturing industries is not a recipe for long term manufacturing success but that seemed to satisfy the government. The government did not seem too concerned that somehow or another the best interests of Canadians were being undermined by that low dollar. We were certainly paying higher prices for the goods we imported from elsewhere because of our low dollar, but it was felt the trade off of being able to export cheaper was good enough. The problem behind all that, of course, was that businesses started to rely on the low Canadian dollar and investment in the means of production declined. Canadians, in real terms, lost their competitive edge on the world market.

It seems to me that is the issue here. We have great concerns about Canadians' competitiveness in the world market. I chose to speak to the bill this morning because government does not seem to be addressing that concern. By attempting to move the bill through the House quickly, the government is showing a complete disregard for these very real concerns that we have.

I would like to give some examples of why I am concerned.

Mr. Howard Hilstrom: Mr. Speaker, I rise on a point of order. The member is giving a great speech. I would like you to check on the number of members in the House to hear the speech. A quorum does not seem to be present. Would you check, please?

The Deputy Speaker: I will ask the clerk to count the members present.

And the count having been taken:

The Deputy Speaker: Resuming debate, the hon. member for Delta—South Richmond.

Mr. John Cummins: Mr. Speaker, the difficulty we are trying to point out is the lack of competitiveness of Canadian industries.

During our recent leadership campaign, one of the contenders for the leadership, Ms. Stronach, mentioned in her speeches that she had been talking recently with one of the major automotive companies, which her former firm had been supplying. This individual indicated to her that his company was sourcing offshore about \$1 billion worth of automotive products this year, primarily from China. He also suggested to her that within two years his company would be sourcing from China something in the neighbourhood of \$14 billion worth of goods.

That is a huge increase, from \$1 billion to \$14 billion worth of goods over a period of two years. The reality is, what does it mean to Canadians? It means that many of those products that will now be

off-sourced in China will be products which previously would have been sourced in Canada or, at the very least, in North America, the U.S. or even Mexico.

When Canadian companies lose their competitive edge and global manufacturers begin sourcing products in places such as China, Canadian workers are put out of work. The direct effect of that brings into focus the issue that was raised previously by the member from the NDP about labour standards. The effect of off-sourcing this material in places like China is pressure is put on the existing suppliers in Canada to somehow to produce cheaper. Because these companies have failed to invest in methods of production as they should, they will feel the pressure to exert more and more effort from their workers or perhaps concessions in wages and benefits.

The government, by simply pushing along this tariff, by not considering the impact on national trade in Canada and by putting laws in place that will encourage investment in Canada, is basically undermining the very issues which have made our country profitable in the past.

To give some examples of that, this past year I was visited by people involved in the printing industry. One concern they had was that their write-off period for newly purchased pieces of equipment was in the neighbourhood of seven years. They pointed out that in today's age of computers and advancement of technology in many respects the equipment would be obsolete within a matter of two or three years. Although they had the ability to write down over seven years, the piece of equipment would be out the door within two or three years and would have to be replaced.

They also pointed out that, while a travesty in itself within our tax system and counterproductive to the profitability of their printing firms, they were competing with American companies which did allow the write-off of equipment much more quickly. Therefore, their main competition, American printing firms, had a decided advantage when it came to the tax structure, one which they could not enjoy.

• (1220)

Another issue of concern could be in the farm fishing area. I do not have any particular answers to this. However, we have some real concerns about this industry. We are concerned that it should be operating in an environmentally friendly fashion.

In that regard, the fisheries committee issued a report a while ago to which I attached a report as well. In that report I pointed out the government's failure to put appropriate regulations in place to govern the industry. That met with criticism in some quarters because the industry said that we wanted it to put regulations in place which would make it impossible for it to compete with imports from other countries. That tariff issue needs to be looked at.

This industry is closely tied to the marine environment and the marine ecosystem. If it operates with impunity from environmental standards in one part of the world, such as Chile, but is forced Canada to operate in an environmentally friendly fashion, is there a basis for protecting Canadian industry? Is the tariff in those instances justified?

Government Orders

I raise this point because the government, in trying to rush the bill through the House, has not looked at the big picture of how these tariffs impact on Canadian industry or even attempted to justify their existence, and it should.

The fact that the government has raised the bill just months before the tariffs expire brings to mind its failure to push on negotiations dealing with the softwood lumber crisis in Canada. We knew a couple of years ago that the softwood lumber agreement was due to expire. We were sitting on the sidelines wondering when the government would step up to the plate and address the issue. We wondered when we would see some action on it. The matter kept being put off.

The agreement was to expire in a few months and there was great consternation in British Columbia and elsewhere in Canada. Finally there was a flurry of activity on the other side of the House and some effort was made to conclude an agreement. Almost two years later, we are still without an agreement. Those issues have not been addressed.

That is no way to deal with important trade issues. This is a case in point. These tariffs are due to expire in a few months. The government has brought the bill in with great haste. It wants the bill to continue through the House, and for good reason, because there has to be some certainty with the whole issue of tariffs. Nevertheless, the bill should have been brought forward months ago, if not a year or so ago, so we could look into the impact of tariffs on Canadian industry and maybe determine whether they could be raised, lowered or even eliminated.

There has to be concern about the way the nation's business is handled. We are in a highly competitive world. I indicated the softwood lumber agreement as an example and some of the barriers that have been put up against Canadian manufactured goods.

• (1225)

In some countries there will be a tariff against goods manufactured in Canada, but at the same time they will accept raw logs from Canada. Then what we have is a growing sector in the Canadian forest industry in British Columbia dedicated to the exportation of raw logs. What that really means is the export of good Canadian jobs.

Over the past 10 years or so, with our lowered Canadian dollar, as low as 63¢, industry came to rely on the cheap dollar to make its way. Therefore, we have essentially lost 10 years of investment in the manufacturing sector. We should have been investing in upgrading and modernizing our manufacturing firms so we could remain competitive with our international competitors, but we did not. Now we are reduced to giving life to the notion that somehow we as Canadians are simply hewers of wood and drawers of water.

In British Columbia we see large logs rafted out to a freighter and loaded onto its the deck for shipment elsewhere in the world. The logs are then remanufactured and shipped back to Canada. That has to hurt, especially when we look at the sorry state of the economy in British Columbia and when we consider the large number of people who are unemployed who would welcome the jobs those logs represent.

In closing, we will support the bill, but we are concerned it is being rushed through the House, as it is. We are certainly concerned that the issues of tariffs and the levels of tariffs were not the topic of discussion and examination by the House, and we think they should have been.

• (1230)

Mr. Ted White (North Vancouver, CPC): Mr. Speaker, I listened quite intently to the speech just given by my colleague. At the risk of getting into a debate approaching on an argument with him, I think we have some differences of opinion perhaps on some of these issues of protectionism and labour.

I would like to make a comment, which I am sure he will be able to expand on at length to fill up the remaining seven or eight minutes that he has. The question has to do with the labour standards that are in these types of agreements where we reduce tariffs and get freer trading around the world.

I know he is familiar with the airline industry. If we look at international airlines, it really does not matter whether the flight attendants are on a Chinese airline, or an Australian airline or an African airline. They work under exactly the same working conditions on those airlines as they would on any other airline. When they get to Vancouver, they stay at the same nice hotels and they are exposed to the same excellent working conditions regardless of the airline. It is that way because it is a global market, so it has to compete on a global basis. The more we globalize things the better it is for everybody in those industries.

I know a member on the government side wants to ask a question too, so I will just leave it there, and ask my colleague for his comments.

Mr. John Cummins: Mr. Speaker, I appreciate my colleague's observations. I agree with him that we are engaged in a global economy.

The point I was trying to make is twofold. First, labour standards are important to me, as they are to my constituents and as they are to my friend. We believe that labour, people who must earn a living like most of us did before we came here, deserves to be paid at a fair rate of remuneration for the job that is done. We should be able, in our daily lives, to prepare ourselves for a wholesome retirement as well. It is expected that those would be the fruits of our labour.

That being said, one of the difficulties with globalization is the fact that many of the products that may be sourced offshore will be products which are produced in poor conditions and with under age workers perhaps. There has to be some concern there. I guess that is really the role of the UN.

At the same time, we have to make investments in Canada in enabling our workforce to be more productive, so that we can compete on a global basis. That is the issue here for the tax system, that it encourages investment in Canada rather than offshore. I would rather see a tax system which was encouraging to Canadian companies, rather than tariffs which would prevent the importation or put artificial barriers up to protect Canadian industry.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I could not help but pay attention to the remarks from the member opposite with respect to the export of raw logs.

Government Orders

It seems to me that in many cases, according to the information I have, the destinations for these logs have changed significantly over the years. In years gone by, many of the raw log exports from British Columbia, for example, were destined for the Far East and to Asia because of the attraction of some of these large spruce trees with a very fine grain which were used for decorative purposes in Japan and other parts of Asia. They commanded a very rich premium in the market.

In British Columbia there are strict rules about the export of raw logs. The percentage of raw logs that is exported in raw form in terms of total production in British Columbia is somewhere around 6%. Nonetheless, it is a contentious issue in British Columbia and indeed across Canada. In fact, the federal government has the final sign-off in terms any export permits.

However, it seems to me that over the last few years the export markets have changed for raw logs out of British Columbia to Asia. Many of the raw logs now are finding their way to sawmills in the states of Washington and Oregon. I find that quite disturbing.

In fact, I have raised it with our minister on this side that it is a concern to me. I am told by IWA Canada that those raw logs are keeping five or six sawmills sustained in the states of Oregon and Washington at a time when we have many sawmills here in Canada that have shut down or where production has curtailed.

Is the member aware of that trend? Does he have any thoughts on that?

• (1235)

Mr. John Cummins: Mr. Speaker, the member across the way is accurate in what he says.

In fact, traditionally raw logs were shipped to Asia markets, Japan and elsewhere. Over the last few years and with growing frequency since the export of raw logs into the U.S. has been restricted, there has been an increase in the flow of raw logs into Washington and Oregon states.

This is especially galling to those Canadians who are losing their jobs because of these tariffs. It is an issue and I am glad the member opposite has raised that concern with the minister. It is one that should be addressed and needs to be addressed. There is no question that it is a difficult issue. However, it is one that Canada must address with some firmness and certainly with the tact that recognizes the power that the size of the American economy has over Canada.

Nevertheless, it is especially galling for British Columbians to lose their jobs and see those logs shipped across the border to provide work in Washington and Oregon states.

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, speaking of jobs and how the economy works, I would like to talk about the garment industry in Winnipeg and then ask a question.

The garment industry in Winnipeg employs a lot of female workers. It is a vibrant industry. We have a problem in this industry because replacement workers, for those who may quit, retire or leave the job for whatever reason, are difficult to find within Canada. As a result, Manitoba has a special sponsorship program for immigrants with skills to come into the province to fill these jobs that Canadian

workers are, for some reason, unable or unwilling to fill. The way the world's economy works, businesses can be competitive but if the jobs do not go to the foreign country, quite often the foreign workers come to our country to do the work.

The NDP talked about the wages, but I did not hear too much about the garment industry wages in Winnipeg, which is where the member from Transcona comes from. I would just ask the member, is there anything in the government legislation that deals with these issues?

Mr. John Cummins: No, Mr. Speaker, this amendment to the Customs Tariff would simply extend the life of the tariffs that are in place.

The member raises an important issue. Many of the jobs that he suggested are good jobs. They are jobs that we should be training young Canadians to do. When we look at and read some of the statistics, we are going to be short of many skilled workers, whether they be carpenters, plumbers or electricians, and certainly textile workers as well. It does not matter.

It is one of the issues that is important. Yet, when we look at the failure of the government to advance some substantive legislative agendas which would deal with some of these real problems that we as Canadians have, it causes one almost to break faith with the system.

We have some serious problems that cannot be addressed simply by fast-tracking legislation like this through the Commons, saying that it is okay, that it will be dealt with, and then move on.

• (1240)

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am pleased to have an opportunity to take part in this debate which, as you know, deals with an important and complex issue.

For the benefit of the Chair and of those who are listening to us, I will mention the fundamentals of this legislation. This bill extends to June 30, 2014 those sections of the Customs Tariff that allow Canada to provide a preferential tariff for imports from WTO member states and from the least developed countries.

The fact that we are talking about the WTO, the World Trade Organization, about less developed countries and about foreign trade shows that globalization is increasingly present, whether it is through the trading and exchange of goods, contacts between parliamentarians, or global communications.

This situation impacts on the role of a sovereign government such as the Canadian government with regard to two of its main responsibilities. The first of these responsibilities is the fight against poverty that should take place on this planet, in this world, but is not conducted properly. We know that the gap between the rich and the poor is increasing, possibly because of this globalization. So, the fight against poverty must be a concern for this government.

Government Orders

There is a second responsibility and it is economic development, the development of prosperity, raising the quality of life, improving the well-being of the population, and thus encouraging a better distribution of wealth within Canada itself.

In a context like this, with respect to a bill, we can see that sometimes these two responsibilities can clash. They are not necessarily complementary, not at all.

On the one hand, we must be aware that the international war on poverty is a necessity. When we now speak not only about developing countries but also about the least developed countries, it means that we have become more subtle in our approach or analysis of the situation that exists on the international scene with regard to the balance between wealth and poverty, knowing that, as I said just now, unfortunately and for reasons that have nothing to do with the Holy Ghost, we are watching the widening of the gulf between the rich and the poor.

Thus, the situation is becoming more and more dramatic. When we talk about the least developed countries, we mean 49 countries, of which 34 are in Africa. I had the privilege and opportunity of travelling to Africa once again last month, at the invitation of the International Development Research Centre, which is an agency of CIDA, if I understand correctly. We went to Senegal for a meeting of African parliamentarians from a dozen countries. One of them—if memory serves, it was a colleague from Senegal—in his speech at the end of the deliberations reminded the assembly that, and I quote, “Africa is not poor; Africa has been impoverished”.

That being said, Africa having been impoverished—and I agree with the statement that Africa is not poor but has been impoverished—that is where Canada comes into this impoverishment and where it has an obvious moral responsibility to take the necessary steps to try to improve the situation.

The figures vary, but we know that, at the very least, there are millions of Africans whose average salary is \$1 per hour, in our terms. That is one example that illustrates the unacceptable nature of the situation. This is the kind of poverty that has been growing in recent decades.

The reasons seem obvious when you are there. There are very few processing plants, yet there is an abundance of natural resources. In addition, the prices for products such as cocoa are set in Western capitals and fluctuate constantly. Accordingly, Africans end up entirely at the mercy of irresponsible decision-makers.

● (1245)

These people report to no one. Furthermore, they are practically unknown. It is because of market forces that we have quickly ended up with the situation described to me, in which the cost of production exceeds the sale price of certain products on the market. The situation is becoming really terrible.

Globally, there is an increasing realization that Africa is going through a type of decline. In terms of international gross national product, Africa is trailing behind. This is absolutely unacceptable, especially when we know what natural resources are available in this wonderful and captivating continent.

I had the privilege of visiting Gorée Island in Dakar. We must not forget that the development of the Americas, especially North America, was due in large part—much to our shame—to the contribution of millions upon millions of Africans who were made slaves and transported here in unspeakable and revolting conditions. America must never forget the disgraceful past that was instrumental in its current development, development which continues to the detriment and on the backs of nearly all the other continents in the world, South America and Africa in particular.

The Canadian government's first responsibility is to implement measures to fight world poverty. Its second responsibility is to promote the economic development of Canada and its people. This is where there may be conflict between these two major responsibilities. The government must do this in the current context, according to international accords and trade agreements. In my opinion, it must do this by taking measures to try as much as possible to protect jobs and help workers adapt to such economic and socio-economic upheaval.

If nothing is done, if the market is left to its own devices, we run the enormous risk of seeing the globalization of poverty, as others have already written and described. We must fight against this phenomenon.

I want to talk about what is happening just in my region. I am the member for Trois-Rivières. I can name the companies that have closed their doors since the 1970s—I was testing my memory earlier—in greater Trois-Rivières for reasons that might be attributed to globalization or international trade, since this is not a new phenomenon.

I am thinking of Associated Textile in Louiseville or Wabasso in Trois-Rivières and Shawinigan. I am thinking of Rubin and Utex in Victoriaville. I am thinking of Le Culottier in Batiscan, which was a very important jeans manufacturer. I am thinking of Fruit of the Loom, which closed its doors and had employed 600 women in its textile mill in Trois-Rivières. These are only five or six companies. This amounts easily to 4,000 to 6,000 jobs lost for reasons related to international trade.

These are not empty words. These are very concrete things that affect the lives of our fellow citizens. We must be aware of just how delicate this situation is.

Last week, I had the pleasure of meeting the directors of a clothing company in my region that shall remain nameless. It has been operating for over 100 years. The directors are extremely anxious about the abolition of tariffs in January 2005, particularly with regard to competition from Bangladesh and China.

Government Orders

•(1250)

If no steps are taken, all scenarios will have to be looked at. They are likely, at worst, to resort to heavy lay-offs, if not actual plant closures. This would contribute to a still larger problem; in the garment industry alone there would be 97,000 Canadian jobs affected, 75,000 in Quebec. Hon. members will have grasped the significance these matters have for Quebec. For instance, that company in my region that will be threatened if the government does nothing. The government needs to be aware of the situation, more aware than it seems to be at present, and more aware than it has been, its former Minister of International Trade in particular.

What people are calling for is preferential treatment for manufacturers over importers. Manufacturers are the ones who create added value, who create jobs, and who process raw materials. It seems that textile and garment manufacturers and importers are being put on the same footing. These are very important concepts, and the manufacturers need to receive better treatment in future.

Then there is a second suggestion I have passed on to the new Minister of International Trade, which is that the government just use common sense, while avoiding protectionism. The federal government, like all provincial and municipal governments and government agencies throughout Canada, should encourage buying domestic products. Until some other solution were found, such as a slight percentage of protection—let us call a spade a spade here—it could at least ensure that Quebec or Canadian products were purchased by institutions paid for by the taxpayer.

As for the private sector, it can decide for itself. As far as the government sector is concerned, however, public interest dictates that public funds be used to buy domestic goods and services. This must at least apply to federal institutions and all government agencies.

There are therefore some steps that need to be taken on the domestic front, but it will also be necessary to restore certain programs that were in place before the terrible battle to attain zero deficit resulted in wholesale cuts in 1994. One particular cut was to POWA, the program for older worker adjustment, which was formerly WAT, the work adjustment training program. That, moreover, was only for textile and garment industry workers.

This program was changed to serve older workers in general. It seems that back then the government cared more about the plight of these workers and businesses. There was a program, known as the WAT, designed specifically for workers in the textile and clothing industry. With the liberalization of markets, such a program should be restored to protect the interests of Canadian workers. The government must assume its responsibilities, not only in the fight against poverty at the international level, but also as regards the preservation of social peace, the protection of workers and jobs, economic development and social harmony.

It must also promote, as it did at the time, adjustment measures for workers. The business to which I was referring, whose officials came to see me, finds it all the more frustrating because in recent years it has spent huge amounts of money on manpower training to adjust to the new market reality. It has also made huge investments in more modern equipment. With the changes that are coming all this is put

in jeopardy, even though that company assumed its responsibilities while taking into account its corporate interests on the one hand and the interests of its workers on the other hand.

So, as I mentioned, the government must take some measures at the domestic level. It must also do something about international assistance. Canada must do more to achieve the UN objective of 0.7% of the gross domestic product for international development assistance.

•(1255)

We are currently at 2.7 of 1%, or one third of the objective set. Clearly, the Canadian government could make an effort, in conjunction with other countries, to ensure that international assistance is more significant and it could take measures to also ensure that this assistance does reach those who truly need it.

The government could be a better corporate citizen of the world by signing agreements and treaties on working and living conditions, including under the aegis of the International Labour Organization. Canada has not signed some very important treaties on child labour and women's work.

With this legislation, the government is giving access to products that were made by children working under abject conditions. There are treaties dealing with this situation. Some countries have adopted a code to which the Canadian government does not adhere. These are measures that it could take to improve the situation.

Therefore, we must go in this direction. We must be aware that when we talk of globalization, it is possible to see it in a positive light, but if this continues, if globalization is driven by private interests instead of the public interest of the world, we will be talking more and more about the globalization of poverty. It is happening and will happen more and more at the expense of social solidarity in even its most minimal form. That is a very bad sign for the generations to come.

[English]

Mr. Ted White (North Vancouver, CPC): Mr. Speaker, again I hear in the discussion on this bill talk of protectionism and of ways to improve the working and living conditions for people in third world countries. I heard the member say that the Quebec government should encourage Quebecers to buy local products. I think that is perhaps a component of helping the marketplace, but it is completely the wrong approach, in my opinion.

What I think local governments should be doing, the Quebec government or the British Columbia government, or the Vermont government for that matter, is encouraging their citizens to send gifts of the very best products from that province or state to their friends and their relatives overseas to help expand the market for the product. They should not be insular and just encourage the people in their own regions to buy a product. That does not improve the marketplace. It does not improve the variety for the consumers. All it does is create a protectionist atmosphere where they do not want to let anyone else in.

Government Orders

The best way to do it is to try to get people to expand the marketplace. If I were in charge of an advertising campaign for a product in British Columbia, I would not be advertising for BCers to buy homegrown product. I would be saying that they would get a coupon for a discount if they send homegrown product to a relative in Quebec or a relative in Florida. Then it would be an extra coupon for that relative to buy some more. That is how we expand markets at a global level and make it better for the business in the province.

When we talk about things like improving the working conditions in the third world for the women and children the hon. gentleman talked about, let us we look back at the working conditions in a place like the United Kingdom, in England, as we went into the 1900s. There were little boys working as chimney sweeps, climbing up inside chimneys. The majority of the population in England lived in the sort of poverty and conditions that the third world is in today.

How did it improve? Because governments encouraged initiative, training and free markets. If we look at the conditions of a country, we will see time after time after time that the countries that trade freely, that encourage free trade and that encourage initiative are the ones that have the high living standards and the good working conditions.

We are not going to improve the lot of people in third world countries by trying to protect our own markets. We have to open up our markets, remove the tariffs and encourage those countries to export to us.

• (1300)

[*Translation*]

Mr. Yves Rocheleau: Mr. Speaker, first of all, I would like to point out to my colleague that I never mentioned the Government of Quebec as such. On the contrary, I spoken about the federal government, provincial governments, the municipal level and crown corporations in general, who should pay particular attention to Canadian and Quebec products.

One example I could give is from the apparel sector where, it seems, Canada's Department of National Defence has a buy-Canadian policy, but the Department of Immigration shows no awareness or sensitivity in this regard.

It is not fashionable to be a protectionist. We must open our borders, but we must not be naive, all the same. We must also look at what our western competitors are doing. We must ask ourselves if all our western competitors are playing by the rules. If we are the only ones, we must not be naive, nor should we be overly optimistic as it seems the former Minister of International Trade was.

We must be vigilant and make certain that the public interest of Quebec and Canada is respected, without having people laugh at us, as we enter fully into the new globalization and free trade game.

[*English*]

Mr. Ted White (North Vancouver, CPC): Mr. Speaker, we have had a very interesting debate today. When we started this morning, nobody expected it would move along this way, but it has been certainly interesting.

The Conservative Party will support the bill because we support free trade. However, this has given all of us an opportunity to talk in

a wider frame about free trade and the sorts of problems that do or do not occur.

Before continuing on Bill C-21, I would like to mention an exchange that took place a little earlier between myself and a member of the NDP. He talked about unfair competition and that if there was unfair competition, we would surely want to have protection in place for the companies that were subjected to this unfair competition.

That hits pretty close to home. Prior to being a member of Parliament, I was in business for myself. I had a company with 10 employees, and at one stage in the 1980's, we were in the facsimile business, selling fax machines. That was about the time when Office Depot and Staples started expanding into British Columbia. They were opening stores in the Vancouver area where I was selling fax machines. Suddenly people could buy fax machines from Staples and Office Depot for a couple of hundred dollars less than the fax machines I sold.

I guess my colleague from the NDP would probably argue that was unfair competition. This big box store was coming in taking away the livelihood of my employees and all the stuff that went along with it. However, I did not look at it that way.

When we say it is unfair, unfair for whom? It was wonderful for consumers. Now they could buy a product at \$200 less than they could from me and more people could afford it. As a result, Office Depot and Staples could employ many more people than I could. They could sell the types of products that they could bring into the marketplace, which the small retailers could not.

Instead of crying, weeping, going to government and demanding and asking for help to protect my business, I sat down and took a look at what Staples and Office Depot could not do that I could as a small business entrepreneur. I discovered that my technicians were trained to service the fax machines, and they could service the machines that were sold by Staples and Office Depot. What is more, the market became bigger because Office Depot and Staples were selling a lot more fax machines than I ever could, so we had more servicing opportunities than we ever had before.

I also looked around at products. We chose a line of specialty telephone equipment that Staples and Office Depot could not sell because it was too complicated and required too much pre-selling for a customer to understand how it would be beneficial.

There are always ways for an innovative business person to move aside from problems that are created by a free marketplace and to find something else that works. It is called niche marketing and it works really well. That is why Northern Telecom is so successful. It is in a niche market. It started at a time when virtually no one serviced that part of the telecommunication equipment market. It has become the world leader in the supply of telecommunication equipment.

Government Orders

When we talk about bills like this one and the whole environment of free trade, we have to remember that free trade has really and truly helped countries like Canada. All of the other countries of the world that have opened their borders now have higher living standards, better wages and just generally a better environment because of free trade.

I left this example until after I had given my own personal example. One of the Bloc members earlier talked about a manufacturer of paper bags in his riding who was distressed because those bags could now be made more cheaply in China. I assume this manufacturer has complained to his member of Parliament about this terrible state of affairs and has asked what the government can do to protect his paper bag manufacturing plant.

I am making some assumptions, but I think they are a reasonable assumption. The correct approach is to be honest with that manufacturer and tell him that the government policy is free trade and that he will have to work out a way to make his business work in this environment, not with government subsidies, not with protection from tariffs. Rather he should look at what he is manufacturing.

• (1305)

If somebody else is knocking him out of the marketplace, he should find something else to make. Perhaps he can make a specialty plastic bag, one of those wine carriers we see being sold a lot now. They are very much in vogue. There is string attached, and it is a nice type of plastic bag or paper bag in which to carry our wine when we go out to visit someone for dinner. There could be gift bags. There could be a whole range of different options for that manufacturer to get back into the marketplace in a niche market that cannot be touched by China because it is too small for that mass market and yet very profitable. There are other examples like this, too.

I am originally from New Zealand. As hon. members would know, in the mid-nineties New Zealand went bankrupt. What happened? It had to remove almost all the subsidies and grants that were given to farmers in New Zealand. My goodness, there was a lot of wailing, weeping and moaning about what would happen, and certainly a number of farmers went bankrupt. However, within 10 years there were three times as many farmers in New Zealand as there were prior to the removal of subsidies because farming had suddenly become profitable. Farmers were able to use their initiative to find niche markets.

At one stage some farmers in New Zealand were providing most of the mozzarella for Pizza Hut in the United States. They discovered they could make a quality mozzarella at the right price to fill that niche market. Farmers had been making orange cheddar previously, which everybody made, and governments filled warehouses full of cheddar that nobody needed. It was wonderful. The New Zealand farmers were forced into the position of getting off that government reliance and on to the idea of niche markets.

I do not know if hon. members have ever been there, but they should take a trip to New Zealand, go to a supermarket and take a look at the dairy department. They will be astounded at the variety and choice in that supermarket. There are so many cottage industries in the dairy industry making specialty cheeses for the yuppie market, I suppose we could call it. In addition, there are flavoured whipping

creams in New Zealand. We can get kahlua whipping cream and grand marnier whipping cream. We cannot even get that in Canada because it is still illegal to sell alcohol added to those products. It is not that simple, but the removal of subsidies and grants has spawned an industry and initiative that was never there before.

I will give a home grown example. In British Columbia in the early 1980s the wine industry was heavily subsidized. Anyone who grew grapes would be guaranteed to get a huge government subsidy to stay in business. Everybody knew the wine was absolutely awful. Everybody knew it was dreadful stuff. The government of Bill Bennett at the time removed the subsidies.

Other colleagues from British Columbia will remember the screaming, yelling, wailing and moaning. Everyone was going out of business. It would be just awful. What has happened? It encouraged the industry to take a long, hard look at itself, to get rid of the junk grapes that it was growing, to start growing quality grapes and to get good winemakers from around the world. Winemakers came from France, New Zealand, Italy and Germany to help the industry develop, and now look at it today. British Columbia produces world-class wine.

Governments do not do anybody any favours by providing grants and subsidies to business. It stifles initiative and it stifles a choice in the community for consumers. It keeps prices high. If they wanted, everybody in the House could have a BlackBerry and most people could have a computer at home because of free markets that allow those products to be manufactured at a low enough price for the average person to buy in a store in Canada.

I can remember when a computer could only be purchased from a specialty store and cost \$12,000. When my business purchased its first computer in 1979, it cost more than \$12,000. Very few people even sold a computer. It had 12 inch floppy discs that we put into it. Only 80K of information was held on one of these great big discs, and it cost \$12,000.

I had a Future Shop flyer in front of me earlier today. We can buy a desktop computer now, with a monitor and with 2.8 gigabytes of storage, for \$499. What produces that sort of situation is free and open markets.

• (1310)

That is why at the end of the day we will be supporting the bill, because we truly believe in open markets and the reduction of tariffs. In fact, the only thing I am unhappy about with the bill is that it does not remove the tariffs completely. It maintains in place preferential treatment for some countries and less preferential treatment for others. At least it has been a step along the way, because when I immigrated to Canada in 1979 it was very much like New Zealand had been earlier with lots of protective tariffs in place and very high prices for a lot of products. It certainly is a much better environment today.

Government Orders

Before I finish, I need to mention something that was mentioned earlier by some of my colleagues and that is the unholy rush in which the bill is being pushed through the House. The government must have seen this situation coming up at least a year or two ago. There was a sunset clause on these tariffs. Everyone knew they were to expire very soon. Why did the government leave it until so close to the expiry date? The expiry date was to be June 30 this year. No one can tell me that no one in government recognized a year ago that this was going to happen.

Why did the government leave the bill until two or three weeks before an election call to bring it to the House? Now we are rushing the bill through without proper consideration of alternatives in order to make sure that it can stay in place when we go to an election and the House will not be here to make sure that it is done prior to June. This is typical of what has been happening in the House over the last few weeks.

I have been working on Bill C-3 which deals with the definition of political parties. That bill was introduced in the House when we came back after prorogation. The minister persuaded us that he wanted it to go to committee before second reading so that we could study the bill and make wise amendments to it and so on.

The minister indicated that he was truly interested in hearing input, that we were in a new era, that we would be getting rid of the deficit of democracy around this place. What happened when we went to committee on Bill C-3, the very first question I asked the minister was whether he or his department had contacted anybody affected by the bill and his answer, incredibly, was no.

Here we were with a bill already before committee prior to second reading. It had only been introduced and it went straight to committee and the minister had not even told the people affected by the bill that it was in process. Why? He wanted it through quickly because if it is not in place by June, it is a similar sort of situation. We have the Supreme Court of Canada ruling that the Elections Act will fall apart if we do not have an amendment in place by June, so the minister is panicking to get this bill in place and through the Senate.

In fact, the bill was supposed to come back today. The minister tried to get unanimous consent in the House to waive the customary three days' notice to bring it back and to put it on the Order Paper today. He could not get that consent, but there is this rush to get the bill back into the House because the government knows it is running out of time. It wants to get it through before the election call. Instead of having proper consideration of the bill, informing the people who will be affected by it, getting some news releases out and making the public aware of the bill, he is trying to get it through as quickly as possible with the fewest people possible noticing as well.

In committee I asked the minister if he had notified anyone. His response was no. I asked if we were getting any witnesses. His response was no. It ended up that the opposition, the Conservative Party, had to filibuster in order to get some witnesses, to even be able to tell the people affected by the bill that it was happening.

We filibustered in the committee and about a week later we managed to get the Chief Electoral Officer in as a witness. Also, at my request, the head of the Communist Party of Canada was able to

come from Toronto. However, the government would not allow anyone else from the small parties, such as the Green Party, who would be affected by the bill.

The two witnesses gave their testimony. The Chief Electoral Officer raised some terrible problems with the bill and suggested some very wise amendments. Right after the witnesses appeared, the minister wanted us to go ahead and do the clause by clause study of the bill. We had to threaten filibustering again in order to even consider the evidence given by the witnesses.

•(1315)

Some very wise amendments were suggested by the Chief Electoral Officer. We met again a few days later in committee with the minister having given an indication he was open to discussion about the amendments but in the end he would not approve any of them.

What a futile exercise it turned out to be in the same sort of circumstance as this bill. It is rushing through legislation without proper consideration, without hearing witnesses and without giving proper amendments so a faulty piece of legislation will be back in the House, I am sure, in the next few days. It is going to be rammed through the House so that we can go to an election and it is crammed with problems.

The Chief Electoral Officer said that Bill C-3 is forcing him into a position where he will have to make judgments about the purposes of political parties. In order to register them he would have to determine whether the Liberal Party of Canada, for example, actually has a purpose.

Mr. Speaker, how would you like to be in that position? That single person who is supposed to be non-partisan, completely independent of any of the political parties will be put in a position of having to determine and then sign off on paperwork that he is satisfied that the political party he is registering has a political purpose. That is the type of legislation we are getting because of this unholy rush to get things through before an election.

I realize that the bill before us is not quite as bad. It deals with a situation that has been well discussed in the past. It deals with free trade. It certainly has given us an opportunity, as I mentioned, to talk a fair bit about free trade today and to get some of our concerns on the table. We have heard a variety of opinions expressed today.

There are some who would like to see us move back to more protectionism. The members of the Bloc, whom I like to call the NDP of Quebec, would like to side with the NDP and see more protectionism. They think that would be helpful but it is not. All of the evidence that a person can gather shows that protectionism destroys jobs. Protectionism reduces consumer selection and choice. Protectionism increases prices for the consumer and it does not help people's living conditions or working standards.

Government Orders

The best way to achieve those goals is to have the type of environment that Bill C-21 produces, an environment of lower tariffs, freer trade and more opportunity.

• (1320)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I listened with interest to my colleague's discussion about tariffs and trade. It is an interesting topic that certainly has dominated a lot of discussion in Ontario and across the country. It also opens up some longstanding problems that we have especially when we look south of the border to the United States.

I come from, Windsor, Ontario. We have seen free trade affect our community through the border crossings as well as through the manufacturing industry and in particular the automotive industry.

It is important for me to outline what happened. Signing on to free trade killed the auto pact and put us in the situation we are in today where of the last 18 auto assembly manufacturing plants, only one has come to Canada. There have been several problems with that situation. That is very relevant because one in 7.5 jobs in Canada, and one in six in Ontario, are related specifically to the auto industry.

The United States has put in massive subsidies to steal jobs from Canadians in the auto sector. They literally pour in hundreds of millions of dollars to ensure that plants go to the United States. It happened in the southern states, in Alabama, Missouri and others. Now it is happening in the northern states. Michigan recently received a plant for hybrid engines for DaimlerChrysler. They offered tens of millions of dollars of subsidies to be able to procure the plant, thus eliminating the option for communities in our country.

I would like the hon. member to address this situation. I have asked the government to at least challenge under the free trade agreement this subsidization of the auto industry that the U.S. is doing to steal the jobs, or to address the problem that we have.

What do we do when these companies demand hundreds of millions of dollars and then the United States provides those dollars and we lose those opportunities in our country? What do we do about that? We have been specifically told by those companies that taxation and health care do not interest them. What interests them is the subsidization that they get from the United States.

Mr. Ted White: Mr. Speaker, I gave an example earlier about when I was in business for myself and my market share disappeared because competition arrived. The competition was in Vancouver which is across the harbour from North Vancouver, but it is the same principle as the border that runs between Canada and the United States. We can carry these arguments to the extreme and say to only buy stuff in North Vancouver to protect the North Vancouver industries and do not dare go across the bridge and buy something from the Staples store on the other side. It is the same principle.

What the member wants to do is to protect the industries in his region at the expense of the industries in my region. That is what it amounts to. I will give him an example.

Free trade, when it was introduced, opened up enormous opportunities for companies in my region. I have a friend who owns one and he could not trade in or export to the United States because of the tariff blocks. When Canada came into NAFTA and removed those tariffs, suddenly it opened for him that huge market

of 200 million people that he could not get into before. He sells a very specialized type of equipment for the automotive industry to do with the painting of automobiles, drying and baking the enamel for small repairs. He has turned a small cottage business into an employer of hundreds of people with markets all around the world now because of the opportunity that came from the reduction of those tariffs.

I say again that because the member wants to protect one industry with tariff blocks, he punishes other industries. It is a very simplistic thing just to stand and say that there is a big industry in one part of the country and therefore we should protect it at any cost, without taking into account all of the benefits that may be accrued to other companies elsewhere in the country that is achieved by opening the markets.

In terms of subsidies, yes, we have to be concerned when we see subsidies from other places in the world to encourage our industries to go there, but the fact is that our taxes are too high in Canada. If we wanted to see more jobs than we can deal with in Canada, we would just have to eliminate the corporate taxes in Canada. Imagine if there was zero corporate tax. This is not a policy of my party; I am just throwing it out there for consideration. Imagine the rush of companies back into Canada from the United States, in fact from all around the world, to establish their plants here in Canada. As long as they could reinvest their profits in Canada, zero corporate tax would create more jobs than we would know what to do with.

Perhaps we should just reduce our taxes a little bit to be competitive with places in the United States like the member is talking about. The corporate taxes in some of the southern states are much lower than they are here.

Mr. Brian Masse: They are subsidies. They are offering cash.

Mr. Ted White: Mr. Speaker, he calls them subsidies but they are not. They are taxes. They may take other forms such as property taxes or municipal taxes, but they are still taxes. They are part of government taking money out of people's pockets. If we want to be competitive, we need to deal with our taxation system in Canada.

The member is doing his job. He is arguing for the industries in his area and I appreciate that. That is exactly what I am doing too. My argument is that I do not want his industries protected with tariffs at the expense of the industries in my area. We have to move more and more toward an open and free marketplace where people compete on the basis of the quality of the product they produce.

Government Orders

• (1325)

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, my colleague makes a very spirited defence of the free market system and one which comes from personal experience. I certainly appreciate that. Not many can speak with the conviction he does unless they have had the experiences that he has had. He certainly is a great spokesman.

I am curious about two items. One is my friend's thoughts on the impact that the low Canadian dollar has on this competitiveness and the need for tariffs, as well as the efforts that the government should take perhaps to encourage investment in production facilities in this country.

Mr. Ted White: Mr. Speaker, first I will give my thoughts on the high Canadian dollar.

A lot of exporters have been concerned about the high Canadian dollar but the high Canadian dollar has produced opportunities for importers as well. It has reduced the consumer's cost for electronics and a lot of other goods they buy. It has transferred jobs, perhaps to a degree, although I am not sure to what degree, from one sector of the economy to the other.

We cannot automatically assume that just because one sector of the economy is suffering that the entire economy is suffering. In fact, it is not. Things are still going pretty well in Canada. A lot of opinions have been expressed in the financial papers indicating that Canada's economy is doing really well compared to the United States despite the high dollar.

At the moment, retail stores are full of people buying stuff. It is a consumer environment right now. Prices on some goods are lower than they have been in a long time. That has a spinoff into the rest of the marketplace in terms of servicing equipment when it breaks down, redecorating homes, buying lamp fixtures, carpets. There are all sorts of ways that filters down into other parts of the economy. It also lowers the cost of equipment that manufacturers have to bring in to produce their product.

I used the example of my friend who manufactures special paint drying machines for the automotive industry. A lot of the components that he uses actually come in from other countries. Although his export market had to be adjusted, the cost of the base products coming in has gone down and he has been able to bring his prices down slightly, and that has offset the high Canadian dollar.

I do not think the impact is always as bad as people think. It is a much more complex situation than one can sum up in one or two sentences.

• (1330)

Mr. Roy Bailey (Souris—Moose Mountain, CPC): Mr. Speaker, it has been interesting to sit and listen to the comments on this topic. One would think, from listening to people and from what we often hear on television, that globalization is an evil thing that will destroy our world, create poverty in every nation, destroy our health system, and it goes on and on.

We cannot return to the isolation and we cannot return to the trade barriers. The world is not geared for that today. I am not just talking about trade. When I walked into the lounge yesterday I saw our Prime Minister, the Deputy Prime Minister and the Minister of

Agriculture and Agri-Food speaking to us live from Lethbridge, Alberta. I came into the House last night for the votes and they were before us.

Not only has globalization increased in every field, but we live in a world where globalization is part of us and we will never return because of what we have attained over the last 50 years. I remember as a young person saying that one can take a pole and stick it in the wheels of a buggy to try to slow it down but it will never stop because we continue to move ahead.

In moving ahead, we see all kinds of imperfections. We see all kinds of things that go wrong. If we go back a century ago, the Wright brothers had some real problems. They did not fly very high, but in 100 years, Mr. Speaker, look what we have done in that field. Through that, we have a society that is a truly globalized society.

When I was a boy and my MP returned home from Ottawa, it was three days travel on the train. Today it takes a few hours. No one would want to go back to those conditions.

I walked into the General Motors dealer the other day, not to buy a new car but to look at some new models that had been perfected in an agreement with General Motors and were now being made in Korea. The ideas of joint ownership, joint manufacturing and sharing joint information is part of this new globalization. Heaven forbid if we were to ever put up barriers to stop the free flow of ideas, inventions and so on.

I am presently involved in a bit of a misunderstanding that has been brought to my attention by Rotary International, which has a yearly exchange of young entrepreneurs. These people, who are professionals in business, have exchanges with rotary clubs here in Canada. It is a wonderful experience. It has been going on for over 25 years and we would not want to stop it.

We often hear things about globalization and how it will ruin our society. Well, very few people will go home tonight and not turn on the TV. When one thinks of what we are able to do now and how quickly information can spread across countries and between our neighbours, we would not dare go back. The world in which we now live is a global world, not just because of trade but because of communication, language and telecommunication. It is a world of trade in areas other than just the things we manufacture.

• (1335)

We will never have a perfect trade system. We never had it in the past and we will never have it in the future. One of the things that I, as a western Canadian, constantly face are the barriers put up by countries in the way of subsidies. Those are the things that hurt our province badly. We have lived with that and have suffered because of it but it has only been recently that our standard of living has gone down because of it.

Government Orders

Before World War II, the United States declared itself self-sufficient; that it would live within itself. That was a disaster. Regardless of how small a nation is or what continent a nation is on, no nation in today's world can live as an island to itself. I have great fears when I hear people say that we must restrict this or that because Canada is a world trading nation. To have any nation, including our nation, move into a position where that trade would be restricted would be extremely dangerous.

Some people say that globalization will ruin our culture. At the same time, the same people say that the importation of people into Canada makes it a multinational and that we are enriched by that, but yet when it comes to trade, it is somehow an evil effect.

In Canada, we often hear that on CBC and we often hear that coming from the rulings of the CRTC. I am not too sure that in this world of communications that we have today that globalization would really protect us very much. Those countries that have isolated themselves and have thrown trade barriers around themselves will eventually involve themselves in civil wars of all kinds. Isolation today simply will not work.

We have world patents in medicine. North America and Europe have been able to supply to the world, through globalization, many of the medicines that help stem epidemics.

The bill does not and did not intend to address the difficulties we as a nation have with the world trading organization. We are often hurt very badly by the slowness in settling disputes. We also have a lumber industry in Saskatchewan and we, too, were hurt by the United States on the softwood lumber agreement.

I think most Canadians would agree that the number one danger of these trade agreements is that the problem takes too long to resolve. I know the bill does not deal with that in particular, but we need to take some time at a later time to see what we can do to bring disputes to fruition and to an end so that nobody gets hurt for any long period of time.

Some day I would like to see a world where everything trades as freely as possible. I would like to see a lot of the barriers lifted. I do not think the living standards around the world would be hindered in any way if we were to extend free trade, lift the barriers and the taxations and so on which prevent the goods flowing back and forth.

● (1340)

We will support the bill. We think it is a good bill. I do not particularly like the differences in labelling certain countries. I do not think that will serve as too much value if you want to look down the road in 10 years, and we do need to look at trading and sharing our information and accepting their information. My colleague from North Vancouver did a magnificent job in explaining that world trade and sharing these ideas is bound to follow the trade, as it does in transportation, as it does in communication and so on.

We are not totally satisfied with the bill. I personally have some disagreements with it, but the bill is a good bill in principle and my party will be supporting it.

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, I do want to thank my colleague for sharing his thoughts and concerns about Bill C-21. I wonder if my colleague would like to comment on

this government's practice, it seems, of bringing in this kind of legislation at such a late date, with an impending election looming on the horizon. Would he give us the benefit of his thoughts in terms of why the government continues to do this sort of thing?

Mr. Roy Bailey: Mr. Speaker, I truly hope that the bill is not before us at the present time as what we might call a "time filler", something that is just putting in time until something else comes along. Today we will have the budget speech. I hope this bill is not here for any purpose other than that of having the members on both sides examine the bill and having them able to truly say that we want to look further at the bill. Then the members on that committee will have a better idea of what the House is talking about today.

I hope this bill is not being used as a filler. If it is, I would be very disappointed in the government for its exercise of that tactic at this time.

Mr. Ted White (North Vancouver, CPC): Mr. Speaker, in the speech given by my colleague he brought up the issue of filling in time. Certainly during my speech I talked about the haste with which this bill was being rushed through the House. It is interesting that my colleague mentioned the filling in time aspect of this bill, because there really is not much of an agenda before the House right now. All the bills that are under serious consideration now are part of the Chrétien era. It is as if this government has no real ideas of its own.

For us to be dealing with this piece of legislation, which the government could have dealt with months and months ago, it is almost as if the government saved up a bunch of five minute bills that it could rush through here in the last two weeks before we go to an election. I wonder if my colleague has been working on any bills that are in a similar situation, that are really part of an old agenda and have nothing to do with improving free trade or improving the lot of people in third world countries.

Mr. Roy Bailey: Of course, Mr. Speaker, every individual, particularly in the opposition but also on the government side, has many personal things that he or she would like to get to. The member who has just spoken has things he would like to get to.

For instance, I have some quarrels with the minister in charge of amateur sports. I would dearly love to get at that because I have an issue that very much affects my province. We should be able to get these things out of the way and bring in new legislation. This would be meaningful legislation, particularly with the playoffs going on in the Saskatchewan Junior Hockey League. I would love to stand and debate that particular issue, but it looks like I will not ever have that opportunity.

This bill is the type of legislation that I would prefer not to see at this time. I would prefer new legislation for which people have been waiting for over a year.

● (1345)

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, it is indeed a pleasure to rise in the House on behalf of my constituents in Nanaimo—Cowichan and to speak to Bill C-21, an act to amend the Customs Tariff.

Government Orders

On the face of it, the bill seems to be a fairly innocuous type of legislation. It is fairly mundane and routine, but it is interesting that this particular bill has provoked what I think is a fair amount of good discussion in the House today. There are times when I sit in this place on my House duty day and say to myself, "Is there really much point?" But we have had a good debate today and I think the bill, even though it seems to be fairly mundane, has been able to spark some interest in a number of ways as we have discussed it.

For the benefit of those who perhaps may be watching the debate on television, which might be an act of masochism, I am not sure, Bill C-21 amends two sections of the customs tariff. Specifically, the general preferential tariff and the least developed country tariff are extended for another 10 years until June 30, 2014. Of course one of the reasons the bill has to be put through the House in this manner as speedily as possible is that the current legislation expires on June 30 of this year, so there is some urgency to do this, particularly if there is an election coming.

The customs tariff is organized into several major components: the most favoured nations tariff, generally called the MFNT; the general preferential tariff, the GPT; and the least developed country tariff, the LDCT. These are nations that we have direct trade agreements with or nations that are subject to the general tariff rate.

The first three categories apply to our trading partners in the World Trade Organization with which we do not have separate trade agreements. Countries such as the United States, Mexico, Chile, Costa Rica, Israel and others belong to the fourth category, as tariff rates have been negotiated bilaterally, and trilaterally, of course, in the case of NAFTA, which encompasses the countries of Canada, the United States and Mexico. Four other nations, such as North Korea, do not belong to any category and are subject to the higher general tariff rate of 35%.

The vast majority of the countries in the world with which we have trading relations fall into the categories of the GPT or the LDCT. Examples of members in the GPT include China, Brazil, Kuwait and most other developed countries with which we trade. The LDCT list includes nations such as the Congo, Somalia, Haiti and other underdeveloped nations.

Both the GPT and the LDCT provide very low to non-existent tariff rates for nations in those categories. The reason behind putting these countries in these categories is that hopefully it will encourage the growth of those economies and trade relations with Canada. Most of these countries are developing nations that need to have some kind of free trade or rules based trading agreements with other countries to stimulate their economies. Of course, the problem exists that if these tariff rates were to expire these nations would be treated as MFN partners, most favoured nations partners, and then would be subject to that higher MFN tariff rate.

• (1350)

One of the interesting things that has happened in this debate today is that it has provoked an interesting debate on the whole question of globalization. Globalization is a huge topic in my riding. I hear about it very frequently from constituents, some of whom have very great concerns about globalization. I must say that there are times when I agree with their concerns.

However, the reality of globalization is that it is something that cannot be stopped. It is going to take place. In the kind of world in which we live today, where technology has created such a small world for us, where we can travel to other countries in such a timely and efficient manner, and where we can have interaction with developing nations at world forums and in other ways, this is something that just simply is not going to stop. What we need to see is that within the spread of globalization there is maintained for these less developed countries an opportunity to develop with justice and equality and fairness for all the people who exist in these nations.

Of course a lot of people are concerned about what could be classified as sweatshop operations in some of the developing nations, where charges have been levelled against large multinational companies that go in and seemingly take advantage of low wages and exploit the population. Sometimes it has been proven, of course, that they have done this with very small children. Those are concerns that we would have and I do not think anybody in the House, whether they favour open free trade or otherwise, would not be concerned about conditions like these.

However, I think we need to look at the positive aspects of globalization. Of course, this bill is really a housekeeping bill that puts some parameters around the effects of globalization. China is a very good example. I have had the opportunity to do a fair bit of travelling in southeast Asia in the last few years. I have visited Thailand, Taiwan, China and some other countries in that area such as Hong Kong. I think China is a good example of an emerging nation that has reaped the rewards of globalization in a very positive way.

What has happened in China, of course, is that it has opened its doors to increased foreign investment. That has been a particularly hard thing for it to do, coming out of its communist ideology, in being able to somehow conform to the rules and the practices of the World Trade Organization.

Those who go to Shanghai now will see simply acres and acres of brand new factories that have been developed over the last 10 years or so and are now providing jobs for hundreds of thousands of people who had no real jobs before. They are people who perhaps never in their lives made more than 10¢ a day in our money. Now they are making \$1 a day. Maybe they are making \$10 a day. In our terms as we look at that we say to ourselves that this is not much of a wage, but we have to remember that the buying power of \$10 in China is a whole lot more than the buying power of \$10 in this country.

Along with the increase in their wages, there is indeed an increase in the standard of living in that country. One cannot help but see this as one travels the country. They are certainly better off, or at least those folks now getting involved in the new industry are far better off than they were 20 years ago. Those people who walked to work or rode a bicycle before this can now afford a motorcycle. The people who could not afford to live in anything but a one room shack are now living in new four room houses. Again, that is not up to our standards. I am in the process of building a new house and in comparison to what I saw in China, it is a mansion. It is not a mansion for me, but it would be for them. However, they are certainly better off than they were and it is a result of globalization.

S. O. 31

THE BUDGET

● (1355)

On the other side of globalization and free trade, and opening up economic borders, we have the problem of protectionism. We have seen protectionism rear its ugly head in the United States recently. The softwood lumber problem is a result of a protectionist policy. Even though we have had a rules-based agreement with the United States over softwood lumber, it has not worked because one of the trading partners has refused to open up its borders to free trade.

In my riding of Nanaimo—Cowichan that breakdown in free trade and that breakdown in the good effects of globalization has caused a huge problem. Hundreds of jobs have been lost because of the softwood lumber problem. If we did not have the arbitration policies that are in effect through NAFTA and the World Trade Organization, we would never see an end to this resolution.

Protectionism is not just an American problem. It is also a problem for our government. It knew for five years that the softwood lumber agreement would expire. It sat by on the sidelines and did nothing to allow us to move into another rules-based trade agreement with the United States on softwood lumber. When one expired, we simply moved into something else. That is one of the problems with globalization. That is one of the problems when governments do not take the opportunity to use the rules properly to create good economic conditions in this country.

We in the Conservative Party agree with Bill C-21. We see some of the problems it highlights in terms of the extension of tariffs. We will be supporting the bill when it comes to the House for a vote.

The Acting Speaker (Mr. Bélair): The hon. member will have eight minutes left after question period for his speech, along with a 10 minute question and comment period.

STATEMENTS BY MEMBERS

[English]

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, on the occasion of World Meteorological Day it is timely to refer to new scientific evidence provided by the Meteorological Service of Canada which points to the further thinning of the ozone layer in the decades ahead because of climate change.

In fact, greenhouse gas emissions causing ozone thinning are now three times more potent than 40 years ago. Ozone depletion has health implications for humans and according to the medical profession could lead up to a 10% annual increase of skin cancers which now strike almost 60,000 people in Canada every year.

Given the serious consequences resulting from ozone depletion, the government has an additional reason for reducing greenhouse gas emissions and for calling on reluctant provincial governments to do the same for the sake of protecting public health.

Mr. Andy Burton (Skeena, CPC): Mr. Speaker, today a budget will be brought down in this place. No doubt many dollars will be tossed around and promises made in a vain attempt by the floundering Liberal government to buy back Canadian voter support.

How hypocritical and cynical this will be. After all, any moneys committed will come from the pockets of overtaxed Canadians, who I believe are sick and tired of the corrupt, arrogant Liberals currently in power. This will not only be a cynical attempt to buy back support, but at the same time an attempt to divert the attention of Canadians from the scandals plaguing the federal Liberal government: ad scam, the flag flap, and HRDC to name but a few.

Well, budget or not, Canadians cannot be bought off like Liberal-friendly ad firms. Canadians want and need change. The Conservative Party of Canada is ready, willing and able to provide that change. A new party with a new vision, a new agenda, and a clear choice for Canadians is what Canadians want and what the CPC will provide.

* * *

THE ENVIRONMENT

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, home to the Niagara escarpment, residents of Halton riding and particularly those in Milton are motivated to do their part to protect the environment. Milton Hydro is helping them by providing information about their electricity consumption.

Yesterday, Milton Hydro Distribution Inc. received an energy efficiency award from the Minister of Natural Resources for its Milton interval metering project. By focusing on the demand side of energy management, Milton Hydro's interval metering project encourages people to change their consumption habits from peak hours to off-peak hours.

If this were combined with variable electricity rates, it would be an even more powerful incentive for conservation. I wish to congratulate Milton Hydro on winning this national award.

* * *

● (1400)

RAI INTERNATIONAL

Hon. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, I stand today to reaffirm my support for Canadians of Italian origin in my riding of Ahuntsic and in other regions of Canada who are demanding to have access to RAI International, the digital Italian television broadcasting network.

[Translation]

RAI International, which is received in 238 countries around the world, wants to offer its programming in Canada as well. The CRTC is currently examining RAI International's application for a licence to broadcast its programs in Canada.

S. O. 31

[*English*]

Some of my Liberal colleagues and I have worked in collaboration with Canadians of Italian origin to assure that their views are taken into account when the CRTC renders its decision. We will continue to work on behalf of our Italian-speaking senior constituents who want to have access to Italian language and culture, and hope that this request will be given the consideration it deserves resulting in a positive outcome.

* * *

GOVERNMENT OF CANADA

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, after 10 years of a Liberal government, British Columbians are ready for change. British Columbians have been anxious to put the Liberal government out to pasture for a long time now and finally, with the new Conservative Party, that day is just around the corner.

British Columbians have a long list of grievances with the Liberal government, and the new Conservative Party has the right answers.

Liberals are opposed to Senate reform. Conservatives say yes.

Liberals have done nothing to fight street racing. Conservatives will make it a crime.

Liberals are doing nothing to fight marijuana grow ops. Conservatives will shut them down.

Liberals have done nothing on softwood lumber. Conservatives will open markets.

Liberals believe in making government bigger. Conservatives believe in making family budgets bigger.

Liberals wastefully register hunters. Conservatives will register pedophiles and sexual predators.

Liberals insult our veterans and gut our armed forces. Conservatives will protect national defence and Canadian sovereignty.

British Columbians need and deserve a new government in Ottawa. For too long, B.C. issues have been left behind by the Liberal government, and the new Conservative Party is B.C.'s opportunity for a better province and a better Canada.

* * *

JEWISH COMMUNITY

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I rise in the House today to speak to the growing threat of anti-Semitism in Canada.

On March 11, the League for Human Rights of B'nai B'rith Canada released its annual audit of anti-Semitic incidents for 2003. It is important that Canadians from coast to coast heed this wake up call and speak out against hatred of the Jews.

Some 584 incidents were reported to the league in 2003, an increase of 20% over the previous year and double the number since 2000. There was a 45% increase in Toronto and a 17% increase in Montreal.

In my City of Winnipeg, a Jewish organization and a Jewish business received anti-Semitic mailings. This past week the greater Toronto area, as we heard, experienced gravestone desecrations and racist graffiti on homes, synagogues and schools.

There is no doubt, Jewish communities across Canada are under attack. The Jewish community is the only ethnic group in Canada that is forced to hire private guards to defend its schools, synagogues and community centres.

Canadians of all ethnicities must stand tall against the threat to our way of life. We as government must work with other governments and with the Organization for Security and Co-operation in Europe to combat anti-Semitism.

* * *

[*Translation*]

EPILEPSY AWARENESS MONTH

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, "Lavender. Think Epilepsy". This initiative was officially launched in March to mark Epilepsy Awareness Month.

The lavender flower is traditionally associated with solitude—symbolizing the feelings of isolation and seclusion that people living with epilepsy often face. That is why the lavender ribbon, representing this flower, was chosen to increase public awareness of epilepsy.

Nearly 120,000 Quebecers suffer from epilepsy, according to the Association québécoise de l'épilepsie. Most of them lead an active and productive life thanks to the progress of medical science. The greatest challenge for epileptics is being accepted by a wary public with outdated misconceptions about epilepsy.

I invite all my colleagues in the House and the public to proudly wear this ribbon, which represents hope and awareness.

* * *

REFUGEES

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I rise in the House today to inform my colleagues of the unacceptable situation of three Palestinian refugees taking shelter in the Notre-Dame-de-Grâce church in Montreal.

● (1405)

[*English*]

These refugees are clearly displaced persons. They are elderly Palestinians who have been living in refugee camps in Lebanon since 1948. For most of this time, they have lived in a camp in which internationally recognized terrorist groups are active. Canada cannot on the one hand welcome Palestinian refugees in order to assist the Middle East peace process and on the other hand refuse to allow these three Palestinian refugees our protection.

If Canada is truly serious about its efforts for true peace in the Middle East, then it is also our duty to give these three refugees our protection.

* * *

TORONTO JEWISH COMMUNITY

Hon. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I rise to day to express the outrage and concern of my constituents, my community and all peace loving Canadians.

On the morning of March 15, residents of the Thornhill Jewish community awoke to find swastikas and other hateful graffiti on their front doors, cars and garages. Nearby, at the cemetery where my late father is buried, headstones were desecrated. Synagogues were defaced with messages of hate. These are cowardly acts of anti-Semitism.

Canadians share the values of tolerance and respect. They are the cornerstone of our country and we have enshrined them in our charter, which guarantees equality for all.

Canada strives to ensure that we can live in peace and security. We must send a message, loud and clear, that Canada does not and will not tolerate these incidents of racial hatred. They are hate crimes. Our silence will signal acceptance of these acts and this is unacceptable to all Canadians.

Therefore, I stand here today sending a message expressing my personal outrage at these—

The Speaker: The hon. member for Vancouver Island North.

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TAIWAN

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, yesterday, as the chair of the Society of Canadians for Asia-Pacific Freedom and Democracy, I wrote to President Chen Shui-bian of Taiwan to congratulate him on his re-election. I have met with the president on two occasions and it gives me great pleasure to know that the democratic reforms that he champions will continue.

Thirteen million Taiwanese voted in the presidential election and the margin of victory was only 29,000 votes.

In another hard fought election four years ago, President Chen, of the DPP, or Democratic People's Party, became the first democratically elected president to bring a peaceful transition from the KMT, who had ruled Taiwan since 1949. Democracy has been embraced by the people and it is making great progress.

Canadians are proud to have Taiwan as our Asia-Pacific friend and neighbour.

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[Translation]

TAIWAN

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, on March 20, Taiwan held its third democratic presidential election. Close to 13 million Taiwanese exercised their right to vote, for a turnout of 85%. With the exception of one potentially very

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serious incident, the election took place in an atmosphere of calm, dignity and respect for democracy.

I had the pleasure of observing these elections as the head of the Canadian delegation to Taiwan. On behalf of all members of the delegation, I congratulate the people of Taiwan on their participation in the democratic process. The 500 missiles the People's Republic of China has pointed at Taiwan did nothing to change the Taiwanese desire for democracy.

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[English]

TORONTO JEWISH COMMUNITY

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I rise on behalf of my New Democrat colleagues to condemn in the strongest possible terms the recent anti-Semitic attacks in the Toronto area.

It is an outrage to witness anti-Semitic hate messages and swastikas sprayed on Jewish homes, synagogues and schools, and the desecration of Jewish graves. I call on all parliamentarians to support the recent OSCE Parliamentary Assembly Berlin Declaration condemning all anti-Semitic violence in the OSCE space and seeking aggressive law enforcement by local and national authorities.

There must be zero tolerance for hatred and violence targeting all vulnerable groups in our society, including on the basis of race, colour, gender and gender identity, religion, sexual orientation and ethnic origin.

B'nai B'rith has documented an alarming increase in anti-Semitic attacks in Canada in recent years. These despicable and cowardly anti-Semitic acts must be denounced by all Canadians.

As Senator Jerry Grafstein recently said, "...words of incitement against Jews are always followed by discrimination against the 'other'. This is the pathology of hate. This is the oxygen of violence".

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● (1410)

[Translation]

PAY EQUITY

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the Employment Equity Act requires employers within the federal jurisdiction to develop and implement equity programs in an effort to achieve a fair and representative work force.

The 2003 annual report indicates that women are still under-represented in a number of fields; that they earn on average 78 cents for every dollar earned by men; that the salary gap between women and men working full-time continues to widen; that women are still limited to clerical positions; and that the representation of women in the workforce under the act dropped by 5,000 in 2002.

Oral Questions

For years now, the federal government has been taking only superficial action, while the situation of women has been deteriorating. The Bloc Québécois is outraged at the federal government's inaction as far as the status of women is concerned, and urges it to take action and show some equity.

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FESTIVAL DU FILM DE L'OUTAOUAIS

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I would like to remind hon. members that they still have a few days to enjoy the Festival du film de l'Outaouais.

The sixth edition of the Festival du film de l'Outaouais includes some 40 movies from about 15 countries. These include Quebec films such as *Seducing Doctor Lewis*, *In the Eye of the Cat*, *The Far Side of the Moon*, *Gaz Bar Blues*, and the co-production, *The Triplettes of Belleville*.

This year, the Canadian production has enjoyed exceptional success and I want to pay tribute to all those who work in the film industry. It is also thanks to the determination of cultural promoters such as Didier Farré, the festival's director, if Canadians have access to such a variety of interesting films.

I urge my colleagues to not miss this major event in the Outaouais region.

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[English]

YOUTH CRIMINAL JUSTICE ACT

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, this government introduced the Youth Criminal Justice Act with much fanfare, but it has failed to impress my constituents living in Saskatoon's Caswell Hill area.

These residents support finding constructive, rehabilitating alternatives to prison, but point out that this government has failed to provide the necessary support. Without supporting alternatives to prison with adequate funding and services, the new act will not help our youth find proper direction.

As the members of the Caswell Community Eyez-Crimewatch Network have requested, I am calling on the government to properly fund and support the services needed to make the new Youth Criminal Justice Act work. Saskatoon already has crime challenges. Our youth and our community cannot wait any longer.

I wish to extend thanks to Jeanne, Stephanie, Kelly and Constable Kerry Ruddick for meeting with me on behalf of their community.

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SARA CORNING

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, today I rise to recognize the life and accomplishments of Ms. Sara Corning, a native of Yarmouth County, Nova Scotia. Ms. Corning was born in 1872 and her story reflects Canada's legacy of compassion and international humanitarianism.

In 1921, Sara Corning arrived in a small Turkish village to take charge of an orphanage. Longstanding conflict between the Turks

and Armenians had resulted in hundreds of thousands of homeless and starving children.

In 1922, fighting erupted in the Turkish port city of Smyrna. As the city began to burn, Corning assisted in delivering more than 5,000 mostly Armenian and Greek children from an orphanage to the harbour, where they were transported to Greece aboard American destroyers. Upon arrival in Greece, Corning established an orphanage for these young victims of war, famine and disease.

For her courage and dedication, King George II of Greece awarded Corning the Silver Cross Medal of the Order of the Saviour. Upon retiring, Sara Corning returned to Yarmouth County, where she lived until her death in 1969.

I wish to thank the member for Brampton Centre for bringing this story to our attention.

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BELL ISLAND

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, today is budget day and the people of Bell Island in St. John's East are wondering what the Minister of Finance has in store for them.

For the benefit of my colleagues, let me say that Bell Island once had the largest iron ore mine in the world. It was one of the few places in North America directly involved in World War II, when ore carriers were torpedoed at the dock.

The mine closed in 1966. As a result, the population was considerably reduced. Tourism is now a local growth industry, with tours and theatre groups putting the old submarine mine tunnels to good use once again.

I want to remind the Minister of Finance that small rural communities like Bell Island are still in need of economic development. Bell Island stood on the front lines during one of the darkest periods of our history and I urge the Minister of Finance to remember this when he brings down his budget so that communities like Bell Island can have a secure future as well.

ORAL QUESTION PERIOD

● (1415)

[English]

SPONSORSHIP PROGRAM

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, last week before the public accounts committee we saw some pretty strong evidence that a Liberal witness was lying.

My deputy leader tabled the motion before that committee asking that Mr. Gagliano release all documents pertaining to his testimony, yet today Liberal members of the committee voted unanimously against that motion.

If the Prime Minister is serious about getting to the bottom of this matter, will he intervene directly and tell his members to make sure all this information is available immediately?

Oral Questions

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the government's position has been from the very beginning that all such information, all information that is pertinent, should be made available. That is why we went to the unprecedented step of furnishing the opposition and the committee with cabinet minutes, cabinet minutes which have never been made public before 30 years were up.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, Liberal witnesses are not telling the truth. Liberal members are softballing questions. They are running out the clock. Now they are blocking motions requiring information to be released.

I am going to ask the Prime Minister again. Is he prepared to intervene directly and tell the Liberal members to reverse their vote and require Mr. Gagliano to release all of his documentation to the committee?

Right Hon. Paul Martin (Prime Minister, Lib.): In fact, Mr. Speaker, the reason that so much information has been provided, the reason that unprecedented numbers of recent cabinet minutes have been made available, is precisely that Liberal members have exercised their function responsibly. I am very proud of the Liberal members on this committee. They want to get to the bottom of it and we are going to get to the bottom of it.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, today they are blocking getting to the bottom of it and the Prime Minister should be responsible, get in there and tell them to stop doing that.

[*Translation*]

Mr. Speaker, a Liberal member of the Standing Committee on Public Accounts has said that we will never know who is at the bottom of this scandal.

By rejecting the motion in committee today, is this not precisely what Liberal members are achieving?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I did not attend the committee meeting this morning, but I can assure the Leader of the Opposition that Liberal members who sit on the committee will assume their responsibilities and that they will do so the way they should, which is by being open and transparent.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, this Liberal cover-up continues. If the Prime Minister really wanted to get to the bottom of this, he would probably recognize that it is going to lead to the top.

Last week I moved a motion in committee to simply have the briefing notes of Alfonso Gagliano tabled at the committee so we could test the veracity of his statements there.

Is this the way to openness and transparency or is this a way to continue a cover-up before an election? When are we going to get those briefing notes?

[*Translation*]

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the hon. member opposite should know that we have no control over the committees. However, if he wants to get some information from

Mr. Gagliano, all he has to do is to ask him to appear before the committee.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, these committees are supposed to be a fulsome examination of facts. The Prime Minister has to recognize that his “mad as hell” tour is over. It has been a sham. It has been exposed.

The Prime Minister's promises of transparency and accountability are pretty thin gruel when we look at what happened in the committee today. Liberal members voted down an attempt to get to the truth. Why did the Prime Minister instruct Liberal members of the committee to cover up the truth about what Mr. Gagliano was doing at Public Works?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I gave no such instructions to any members of the committee, but if the hon. member opposite thinks that members of the committee can be instructed, then why does the Leader of the Opposition not ask the chairman of the committee to stop stalling? Why does he not ask him to call all the members who want to testify in front of the committee right now?

• (1420)

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, while the Prime Minister was spouting fine rhetoric about transparency, the Liberal MPs on the Standing Committee on Public Accounts have just rejected our motion asking that all documents related to the Canadian unity fund, the Prime Minister's secret fund that was used to finance the sponsorship scandal, be made public.

Can the Prime Minister tell us why he had the Bloc Québécois motion rejected? Why hide the truth about this fund that was used to finance the sponsorship scandal?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the committee is master of its own destiny. Nevertheless, when someone goes on a fishing expedition and asks for tonnes of information about all departments since 1997, it is impossible to provide everything. If the committee decides to provide information about certain ministers, as requested, it will receive these documents in due course.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the democratic deficit is the Prime Minister who refuses to answer our questions. That is exactly what is going on here.

His Minister of Public Works and Government Services told us, “Ask the Standing Committee on Public Accounts and you will get all the documents related to the Canadian unity fund”. The Prime Minister has confirmed the existence of this fund.

Why does he now refuse to make these documents public? What does he have to hide? Why make some documents public but not others? What is behind all this? Will the Prime Minister please give us an answer?

Oral Questions

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have been informed that a number of motions were put forward in committee this morning and that at least five of them, requesting a great deal of information, were approved by the committee. This information will be provided to the committee by the government as soon as it has been put together and is available.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the committee can pass all the motions it wants, the only one that matters is the one calling for the production of documents on the Prime Minister's secret fund, which was used to finance the whole sponsorship scandal. We want these documents to be made public for the benefit of parliamentarians.

Why did the government defeat this motion? It goes to the heart of the problem: the funding of the sponsorship program.

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, at the time, the Prime Minister did have a reserve fund, which he used to support projects throughout Canada when he felt they promoted national unity.

However, the current Prime Minister has asked the Clerk of the Privy Council to conduct a detailed review of this reserve fund. I can tell the House that no new project has been initiated by this government and this Prime Minister with this fund.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the current Prime Minister was finance minister when the Prime Minister's secret fund, which was used to finance the sponsorship scandal, was set up.

Why is the government refusing to make these documents public when they are essential to the committee's work? We want to know how the money put into the fund by the then finance minister was used, particularly with regard to the sponsorships. Why is the truth being hidden?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, the Prime Minister has asked the Clerk of the Privy Council to carry out a detailed review of this reserve fund, and this will be done. No new project has been initiated by this government and this Prime Minister since December 12.

What we want to do with regard to national unity is to adopt a new approach to avoid confrontation and bring in an era of cooperation. I know that some people would rather quarrel because that is their life's work. Confrontation and quarrels are what they do best, and that are not what this government wants to do.

[English]

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

The Prime Minister himself fired Mr. Gagliano and surely the Prime Minister had reasons for firing Mr. Gagliano. Mr. Gagliano seems to think that there was no good reason for firing him.

I wonder if the Prime Minister could tell us why the Liberals on the committee are making it impossible for committee members to verify why it was that the Prime Minister fired Mr. Gagliano the way he did.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the committee adopted a motion this morning and I will read it, "That the committee request that a copy of the daily agendas of three people, including Gagliano, be provided between November 1993 and December 2003 to the committee". This will be provided.

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● (1425)

SOFTWOOD LUMBER

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): It appears, Mr. Speaker, that not even the Prime Minister wants to defend his decision to fire Mr. Gagliano any more.

I have another question for the Prime Minister. It has to do with the ruling that came down yesterday, the WTO ruling on the softwood lumber case which ruled in Canada's favour.

Will the Prime Minister now pick up the phone and tell George Bush to call off the dogs? How many times does Canada have to win this before the Canadian government acts, or does something for the communities involved if it persists in waiting?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, I thank the hon. member for his question on a very important issue.

The softwood lumber industry affects almost 300,000 jobs in this country. This is why I have made it my first priority to follow our two track policy. This means that we are litigating before the WTO and NAFTA. We are continuing to seek a prevailing view to see if a counter-offer can be made. This continues to be our first priority.

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SPONSORSHIP PROGRAM

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, the motion that was defeated this morning was not the one that was just mentioned by the minister. The motion was asking that "all documents pertaining to those briefings, including briefing books, notes, memos and agenda items, day-timers, et cetera be tabled and made available to the committee for examination in these deliberations". That motion was defeated unanimously by Liberals in committee.

I want to know from the Prime Minister either one of two things is true: either the committee members are involved in a cover-up, or they are completely disobeying the Prime Minister's supposed request to get to the bottom of this scandal. Why is he failing to instruct his own members to get to the bottom of this scandal? Why is he doing it?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the government has committed to provide all pertinent information to the committee. It has had a request to provide cabinet documents, which have been provided. It has had a request today to provide information relating to a previous minister and to public servants. That material will be provided.

The relevant and pertinent information requested by members of the committee will be provided by the government as it has been in the past.

Oral Questions

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, the government's words are saying that, but its actions are speaking a lot louder than its words.

I have a straightforward and simple question. We are going to re-table this motion at the next committee meeting. I want to know from the Prime Minister, will he instruct his members to pass this motion, get to the bottom of this scandal and have full disclosure, yes or no?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the committee is master of its destiny. If it requests information pertinent to getting to the bottom of this matter, that information will be provided as it has been provided in the past.

For the first time in memory, cabinet documents have been presented at committee at the committee's request. That indicates the wish of the government to provide all pertinent information.

Mr. James Rajotte (Edmonton Southwest, CPC): Mr. Speaker, this is unbelievable. During one question period, we witnessed a Deputy Prime Minister state 18 times that the government had nothing to hide, but the government is hiding things.

Why are Liberal members hiding information from the public by voting against this motion at committee?

[*Translation*]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, it is absolutely—

Some hon. members: Oh, oh.

The Speaker: Order, please. It is impossible to hear the answer from the hon. government House leader.

[*English*]

The hon. member for Edmonton Southwest asked a question. He is going to ask a supplementary. How can he ask it if he cannot hear the answer? I cannot hear it either. We want to hear the answer.

The hon. government House leader has the floor. We will hear the answer.

[*Translation*]

Hon. Jacques Saada: Mr. Speaker, if I put myself in the place of those who are watching us here in this House, I would say that the childish behaviour opposite does not honour the House of Commons.

This is the first time I have heard someone in opposition ask the Prime Minister to overturn a decision made by a standing committee, which is master of its own destiny. It makes absolutely no sense to want to go against the rules of the House and ask the Prime Minister to go further than what the committee itself—

The Speaker: The hon. member for Edmonton Southwest.

[*English*]

Mr. James Rajotte (Edmonton Southwest, CPC): Mr. Speaker, a mature government would get to the bottom of the fact that \$100 million of taxpayers' money was wasted and laundered. That is what a mature government would do, not cover it up.

The motion itself says that based on the evidence presented by former minister Gagliano and reference to briefings, all pertinent documents be tabled and made available to the committee for examination in these deliberations. This is a serious motion intended to get to the bottom of this mess. What is the government trying to hide by defeating this motion?

• (1430)

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, five motions were adopted by the committee this morning, four of them I gather from the copy of the motions that I have received, pertain to documents which will be provided.

It seems those members do not believe in the committee process, however, we do. If the committee asked for pertinent documents to this matter, as in the past, the government will provide the information.

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[*Translation*]

FOREIGN AFFAIRS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, yesterday's reactions by the Canadian government to the helicopter attack which took the life of Sheik Yassin were contradictory, depending on whether they came from the Prime Minister or the Minister of Foreign Affairs. The Prime Minister merely referred to Israel's right to defend itself, while his minister spoke out against Israel's attack on international law.

What exactly is the official position of the Government of Canada on this assassination?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, there is no contradiction whatsoever. What I said yesterday was that Israel was entitled to defend itself, as the Minister of Foreign Affairs also said. I added that murder was certainly not the best way to achieve peace.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, is not the duty of the Prime Minister and his government to be clear, very clear, as he is likes to put it, and to follow the lead of the European Union in denouncing "this extrajudiciary killing" which "undermines the concept of the rule of law, which is a key element in the fight against terrorism"? This assassination cannot help but worsen the atmosphere of violence and move the world further away from any resolution of this conflict. The Prime Minister has to be very clear.

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the Prime Minister has just made himself very clear. There is no contradiction whatsoever in what we each said. We both said the same thing, condemning the killing on the one hand, while on the other hand saying that Israel has the right to defend itself. What is more, we feel that such acts do not contribute to peace.

Canada is always seeking to further peace. That is what we all want for that region. We therefore call upon all parties to stay calm and to focus again on a peace plan for both parties.

*Oral Questions***AGRICULTURE**

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, yesterday, when it announced in western Canada its aid package for beef producers, the government indicated that this program did not include cull cattle.

How can the government explain that the assistance given to beef producers does not extend to dairy producers, who are also directly affected by the mad cow crisis, since the federal government is providing compensation for only two-thirds of their slaughtered animals?

[English]

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member should be aware that in fact last fall we brought in a cull cow program of some \$200 million which will help the cull cows across this country.

As the hon. member said, the Prime Minister and I made an announcement. We believe that \$1 billion toward the farming sector in this country shows the commitment by the Government of Canada to this industry. It indicates to all Canadians that we feel this is an industry of high importance to this country.

[Translation]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, the minister does not understand that the compensation package he is talking about covers at most 16% of the herd. In Quebec, 25% of the herd is affected. He does not want to recognize the distinct nature of Quebec in this matter. That is what I am asking him.

Should his \$1 billion package not have included cull cattle as well, taking Quebec into account, and the fact that 25% of its herd has to be renewed each year?

[English]

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member should be aware that in fact farm groups in Quebec are very supportive of this issue. They believe, as we do, that governments at all levels should be able to support their farmers as best they can, given these difficult times.

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PUBLIC SERVANTS DISCLOSURE PROTECTION ACT

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, the Prime Minister just cannot get anything right. He finally brings in new legislation that he can honestly call his own, but he gets it all wrong. Canadians do not want an integrity commissioner who sits comfortably in the lap of a Liberal cabinet minister.

Will the Prime Minister live up to his democratic deficit promise and let Parliament select, appoint and supervise Canada's first integrity commissioner?

• (1435)

Hon. Denis Coderre (President of the Queen's Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for la Francophonie and Minister responsible for the Office of Indian Residential Schools Resolution, Lib.): Mr. Speaker, as the member is aware, first of

all, the future integrity commissioner will be appointed by both houses, by the Senate and by the House of Commons. With the mandate and all the specificity and all the tools that he has to work with, I think that we walk the talk. Also, we are addressing the democratic deficit regarding the parliamentary process and not only for the framework law, but also for the code of conduct, the standing committees will be in charge. We will look at every opportunity, and I am flexible to look at every opportunity.

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, many prominent Canadians with knowledge or an understanding of the importance of an integrity commissioner say the legislation is flawed.

Whistleblower legislation should cover all aides to cabinet ministers, the Department of National Defence, the RCMP and all other federal agencies.

Will the Prime Minister replace this flawed legislation now and give Parliament the responsibility of seeking out, appointing and supervising an integrity commissioner who will have a real and uncompromised independence in this House?

Hon. Denis Coderre (President of the Queen's Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for la Francophonie and Minister responsible for the Office of Indian Residential Schools Resolution, Lib.): Mr. Speaker, I disagree with my colleague.

First, with regard to all the employees of the House of Commons, for example, there is some specific legislation attached to it. We are covering all public sector employees.

With regard to National Defence, the RCMP and CSIS, they will be obliged to have their own code and that is within the law.

We are covering all the angles. We feel that it is a good law, good legislation and a great step in the right direction.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, CPC): Mr. Speaker, whistleblower legislation must be seen to be trustworthy and workable by the faithful public servant who may need it.

In the bill tabled yesterday, the government still wants to politically control the independent oversight role of Parliament.

Why is the government insisting on undermining employee confidence in this new office by injecting a ministerial filter for reporting wrongdoing?

Hon. Denis Coderre (President of the Queen's Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for la Francophonie and Minister responsible for the Office of Indian Residential Schools Resolution, Lib.): Mr. Speaker, I do not agree with my colleague. The bill does not filter at all. The fact that the commissioner will be appointed by both Houses, the Senate and the House of Commons, I think shows that the position is pretty independent.

Howard Wilson was a counsellor who was appointed. Now we are talking about legislation. It is not the same thing.

After a lot of consultation, we truly believe that not only have we made a step in the right direction but that this is exactly the spirit of the working group on whistleblowers and that we addressed all the issues they were looking for.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, CPC): Mr. Speaker, the President of the Treasury Board admitted that he was wrong about being against whistleblowing in view of the Radwanski scandal, but the problem is that we need comprehensive stand alone legislation that creates a real system with officers and a proper budget, and with credible authority across Canada that is separate from politics.

The Treasury Board is the employer of the public service. Why is the President of Treasury Board not ensuring that employees get everything they need to keep the system honest? Will he provide that?

Hon. Denis Coderre (President of the Queen's Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for la Francophonie and Minister responsible for the Office of Indian Residential Schools Resolution, Lib.): Mr. Speaker, I think the member should read the bill. Not only would we cover all the angles but we would provide all the tools in the budget for the future commissioner to do his job. With all the tools he will have, he will be able to not only go through every department but he will have everything he needs to seek all the information and then to make recommendations.

After that, when we look at the correct situation and it is not proceeding in departments, we are even able to deposit a special report to Parliament. Therefore it is pretty independent. I think the way we have planned it is pretty accurate.

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[Translation]

ST. LAWRENCE SEAWAY

Mr. Christian Jobin (Lévis-et-Chutes-de-la-Chaudière, Lib.): Mr. Speaker, for some time now, the Bloc Québécois has been telling everyone that the Government of Canada is in favour of expanding the St. Lawrence Seaway, when the entire industry says this is simply not true.

I would like to ask the Minister of Transport the following question. Does the Government of Canada support the expansion of the seaway and will this have a major impact on the St. Lawrence River?

[English]

Hon. Tony Valeri (Minister of Transport, Lib.): Mr. Speaker, the member's question gives me an opportunity to clarify a number of concerns.

The Government of Canada recognizes that the St. Lawrence Seaway is a vital part of our economy and we will continue to ensure its viability.

The study is looking at the ongoing maintenance and long term capital requirements to sustain the existing seaway infrastructure. The study is not looking at expanding the seaway.

Oral Questions

● (1440)

THE SENATE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the right hon. Prime Minister.

The Prime Minister often speaks of a democratic deficit, so I want to know what his position is on one of the institutions that is blatantly undemocratic.

The Senate is undemocratic, unaccountable and costs \$60 million a year. There will be 14 vacancies in that place by the end of this year.

Will the Prime Minister commit to starting a process of consultation with the provinces with a view of abolishing this unelected, unaccountable, undemocratic, highly priced debating society?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, we on this side of the House and Canadians have often talked about modernizing the Senate and the changes that are required. I think that is very much our position.

We also believe that members of the Senate do very good work. The fact is that as a legislative body, it is a body that studies specific measures. It has in fact advanced files substantially, and I am sure will continue to do that very thing.

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BORDER CROSSINGS

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the Bi-National Planning Group studying a new border crossing at the Windsor-Essex county area announced that it will drag its feet for another three years at the expense of our economy and the health of our citizens.

The incompetence, political interference and mismanagement of the border file by the Liberals has earned it the unflattering comparisons to the gun registry by local citizens.

The citizens of Windsor do not need more band-aid proposals. They need strong leadership.

Will the Prime Minister shorten the timelines or is it his intention to dole out hundreds of millions of dollars for band-aid projects with Liberal connections? Will he support the community's request for a bypass?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, let me reassure the hon. member that we are working very constructively and very closely with other levels of government. We are working with the City of Windsor, the surrounding municipalities and the provincial government.

In fact, I am pleased to inform the member, in case he has forgotten, that just two weeks ago we had a very positive announcement around some short term measures that will improve both the safety and flow of traffic between Windsor and Detroit.

Instead of perhaps criticizing the hard work being done by members on this side of the House and other orders of government, the hon. member might like to work with us.

*Oral Questions***FOREIGN AFFAIRS**

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, yesterday the Prime Minister gave one position in terms of Israel's position on the death of the terrorist leader of Hamas. Then his foreign affairs minister stood up and gave a contradictory position. Clearly these are his own words. He said that this was contrary to international legal obligations on behalf of the State of Israel.

Is the Prime Minister deliberately playing a cynical game of good cop, bad cop with the foreign affairs minister for political reasons, or is he simply incapable of responding clearly to a serious issue?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the fact is that the Minister of Foreign Affairs and myself said exactly the same thing, and that is that Israel has the right and the responsibility to defend itself.

At the same time, in terms of this particular act, we do not believe that this is the road to peace. Under those circumstances, clearly the act should be judged exactly as the Minister of Foreign Affairs did yesterday.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): So it is the Minister of Foreign Affairs who sets the policy in contradiction to the Prime Minister, Mr. Speaker.

On all of these issues the Liberals are all over the global map. In 1994 the Liberals turned a deaf ear to the people of Rwanda and did not send in troops. In 1999, without Security Council approval, we approved of the bombing in Kosovo. Then with Security Council approval, we sent brave troops into Afghanistan. Then without Security Council approval, we put military secretly in Iraq.

The government is incapable of responding to these serious issues. When will the Prime Minister get a grip on serious security issues related to putting Canadians in harm's way?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, at the time of the invasion of Iraq the government was not in favour of that invasion and the opposition was.

* * *

AGRICULTURE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, beef producers sit here with the border closed. The government ad hoc programs will not solve the problem. They need the border opened.

The Prime Minister has said that the ambassador to the U.S. is the most important position but has yet to fill it, even though the current ambassador's position expired last October.

Rather than hold the spot in Washington open for some Liberal Party crony or relative, why does the Prime Minister not appoint a professional diplomat to Washington now to get to work on opening the border?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I hope the hon. member, by her question, did not mean to tarnish the reputation of an exceedingly effective diplomat who is presently serving this country in Washington. We have an exemplary public service. We have an exemplary diplomatic corps. We have a first class representative in Washington.

We have an opportunity to change diplomats when the proper rotation comes up. The Prime Minister, who is in constant consultation, has ensured that we have the highest quality of representation everywhere in the world, but particularly in Washington.

• (1445)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, leaving the most important diplomatic post in limbo jeopardizes the livelihoods of tens of thousands of Canadians.

The Prime Minister is afraid to be photographed with the U.S. president because of Liberal Party election optics. When will he at least name a diplomat who is not afraid to be seen representing Canadian trade interests in Washington?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, first, the member casts aspersions on one of the leading members of our diplomatic corps. He is in the post because he is that competent. He is a professional diplomat.

What I will take exception to is the reference to President Bush. I had a very good meeting with President Bush when I was in Monterrey and I look forward to meeting with the president again. We are going to work on files that are important to Canadians: BSE, softwood lumber and how we can keep the border open to the free flow of commerce. We are going to deal with the problems within this continent and outside of this continent. The hon. member ought to get her act together.

* * *

[*Translation*]

SOFTWOOD LUMBER

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the government has just announced an aid package to offset the devastating effects of the mad cow crisis. However, the softwood lumber crisis has been going on for two years and workers, as well as companies, are still waiting for a real aid package to support them in this continuing trade war.

What is the government waiting for to implement a real aid package for the softwood lumber industry and its workers, who have also been going through a very severe crisis for the past two years?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, the hon. member opposite knows full well that there are programs in my sector that the hon. members and others can use.

An hon. member: Oh, oh.

[*English*]

Hon. Joseph Volpe: If the member stops yapping she will understand that my department works well and closely with all those employers who shut down their enterprises and give all neighbours an opportunity to access the program to which they have a right. We work together with employers and with employees to ensure that all-

The Speaker: The hon. member for Verchères—Les-Patriotes.

Oral Questions

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the softwood lumber crisis does not only affect the industry; it is also a direct attack that threatens the survival of many regions. In Saguenay—Lac-Saint-Jean alone, for instance, 2,948 jobs have been lost, which is the equivalent of 30,000 jobs in a region like Montreal.

Does such a bleak picture not demand energetic action by the government and the announcement of phase two of the aid package for softwood lumber?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, I thank the hon. member for this very important question, because many jobs are involved.

This is a key industry for Canada. That is why we have concentrated our efforts in two areas, namely the WTO and NAFTA. In addition, the negotiations are our priority and we will continue with them.

* * *

[English]

FISHERIES AND OCEANS

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, fishing vessel insurance has skyrocketed and is threatening the viability of many enterprises.

When the federal government dismantled the fishing vessel insurance plan, it assured fish harvesters that the insurance market would be competitive. That is not the case.

Will the Minister of Fisheries reverse this decision and re-establish a new fishing vessel insurance program immediately?

Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I would be happy to discuss this matter with him after question period perhaps. It is a new matter that we have not discussed before and I look forward to having a chat with him later.

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, that means he knows nothing about it. Let me ask him something else.

Last week the minister announced some extra funding for air and water surveillance. What this means is that the Department of Fisheries and Oceans will be able to issue more citations to vessels raping our stocks.

In the last 10 years, 300 citations have been issued. Will the minister give us one concrete example of where a sufficient penalty was imposed to keep these rogue vessels from raping our stocks on the nose and tail of the Grand Banks and the Flemish Cap?

● (1450)

Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank my colleague for noting the fact that last week the government committed to \$51 million of additional new funds for aerial surveillance and \$17.5 million for additional sea patrols. This will provide effective surveillance of the nose and tail of the Grand Banks, throughout our fisheries, and we will take whatever options are required.

[Translation]

PUBLIC SERVICE

M. Eugène Bellemare (Ottawa—Orléans, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

[English]

He will recall that the government's program review, which took place in the mid-1990s, meant significant job cuts. Approximately 55,000 public service jobs were either cut or transferred to agencies. Recently the government announced that there would now be an expenditure review. This risks undermining the morale of the public service if not clarified.

Will this expenditure review be another unwanted job cutting exercise in the public service?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I thank the member for what I believe is his fourth question on this topic since we took office, which is four more than the opposition.

Expenditure review is about one thing. It is about modernizing public management by going through every single line of expenditure, every program and every management system with the express goal of supporting the best public service in the world.

* * *

CANADIAN WHEAT BOARD

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, a Canadian Wheat Board director recently admitted that organic grain producers could be exempted from the Canadian Wheat Board. The Wheat Board does not even market organic grains, but instead the Wheat Board makes a quick buck off organic grain producers because they are required to buy back their own grain from the board at inflated prices before they can even sell it to their buyers. This is an unnecessary restriction that applies only to western Canada.

When will the Liberal government correct this huge problem and give organic producers on the prairies the same choice as eastern farmers have?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I had the pleasure of being out across the prairies during the last break talking to farmers. I can tell the member that the farmer owned Wheat Board—10 of the 15 directors are directly elected by farmers—have control of the management of the board. They are doing an exceptionally good job, and they will make the decision on this issue in consultation with their brethren.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, it does not even sound like the minister knows what he is talking about either, because of the very issue I am talking about. In order to make the appearance that the Canadian Wheat Board is getting a good price for the farmers' wheat that it markets, it adds \$10 per tonne to the price paid, but later it deducts an extra \$10 in freight from the pool account.

Oral Questions

In 2002-03 this amounted to about \$86 million that was taken out of the wheat pool account and \$57 million that was taken from the durum pool. This was done after the grain was taken from the board's possession.

Why were farmers made to pay an extra \$10 to \$15 for—

The Speaker: The hon. the President of the Treasury Board.

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, thanks to the progressive actions by the current Minister of Finance, when he was minister responsible for the Wheat Board, management of the board has been given over entirely to farmers. Farmers are making these decisions on behalf of farmers. They are managing the board. They have just gone through quite a modernization of the management of the board.

Frankly, when I was talking to farmers across western Canada, they by and large were very pleased with the changes in the board. Why does he not trust farmers to manage their own business?

* * *

[Translation]

ROYAL CANADIAN MOUNTED POLICE

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, two RCMP officers in dress uniform took part in the nomination meeting of the Liberal member for Portneuf last Friday. According to the RCMP, the activities of its members should normally be related to one of its five priorities: youth, aboriginal communities, international police services, terrorism and organized crime.

Can the Minister of Public Safety and Emergency Preparedness tell us under which of these priorities the partisan activity of the member for Portneuf falls?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as the hon. member is undoubtedly aware, the commissioner is responsible for the management of the RCMP. As I understand it, there are procedures that permit RCMP officers to participate in special events. They have to be approved under those procedures.

I would suggest that if the hon. member has any questions or concerns, he take them up with the commanding officer in question.

* * *

•(1455)

[Translation]

RAI INTERNATIONAL

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, I would like to make a few corrections to an erroneous statement made yesterday by a Bloc Québécois member concerning RAI International.

Since September 15, 2003, the CRTC has received applications to add 15 non-Canadian satellite services, including RAI International, to the list of eligible services.

Knowing that the Italian-Canadian community has led a very aggressive campaign supported by many Liberal members and

several community leaders to have access to Italian cultural programming on a 24 hour a day basis, and knowing that a petition signed by over 106,000 people and over 330 letters were submitted to the CRTC, the minister—

The Speaker: The hon. Minister of Canadian Heritage.

Hon. Héléne Scherrer (Minister of Canadian Heritage, Lib.): Mr. Speaker, first I would like to congratulate the hon. member for Saint-Léonard—Saint-Michel for his diligent work on this issue. As I already said on several occasions, the CRTC is an independent organization which operates at arm's length and it will make its decision after a thorough review of this file.

I also want to take this opportunity to congratulate all the Liberal colleagues who expressed the views of their constituents, this within the framework set by the CRTC.

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[English]

ABORIGINAL AFFAIRS

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.): Mr. Speaker, statistics reveal that Indians make up a disproportionate number of prison inmates because they commit a disproportionate amount of crime. However, the Liberal government's racist, two tier sentencing scheme is giving disgraced Band Chief Daniel Morris a get out of jail card.

Morris was convicted of kidnapping, beating and raping his estranged wife at gunpoint. He got probation because the Criminal Code orders judges to give lenient sentences to Indian offenders.

When will the Liberals scrap their racist, two tier sentencing scheme so that criminals are sentenced based on the severity of the crime, not their race?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, once again the hon. member proceeds by castigating aspersions of a racist character, and I will not answer those questions.

* * *

FOREIGN AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, tomorrow marks the fifth anniversary of NATO's bombing of Yugoslavia. Just last week another 1,000 Serbs fled their homes, joining the 200,000 forced to flee since NATO entered Kosovo in 1999.

It is unacceptable that death and destruction are happening under NATO's watch, and Canada must assume part of the responsibility for what is happening.

What has the government done to halt the violence and contribute to lasting peace in this troubled region or is the government so bogged down by its own scandals that it is blinded by the suffering?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): It is quite the contrary, Mr. Speaker. The right hon. Prime Minister and myself met with Javier Solana, the representative of Europe and the European representatives, here last week. We discussed this very important issue. Canada remains committed to bringing peace in the Balkans. We have made a tremendous contribution there in terms of our troops and our stability forces in that region.

The Europeans are presently under NATO command responsible for security in that region. However, we will continue to work with them and other countries to bring peace in the Balkans and to ensure that human rights are respected there.

We are active on this. The Prime Minister remains engaged, and we will continue to be active.

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SPONSORSHIP PROGRAM

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, the Prime Minister said “come hell or high water” that he would get to the bottom of the ad scam scandal. Guess what? The water is high and the Prime Minister is drowning. He is so desperate that he blocked the public accounts committee motion to have Alfonso Gagliano's briefing notes brought to the committee.

Will the Prime Minister call off his guard dogs at the committee and allow that motion, which will have those papers tabled, so we can get to the bottom of this?

• (1500)

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, things have not changed from the start of the question period. The committee has approved five motions. Some of them call for information. Whatever information is requested that is pertinent to this will be provided by the government, as we have on past occasions when we have received requests for information from this committee.

* * *

[Translation]

GASOLINE PRICES

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the unjustified increases in the price of gasoline are causing major headaches to the whole trucking industry, while also putting an unfair burden on consumers. The government is irresponsible because it is not doing anything to deal with the negative impact of the gas price increases.

Will the Minister of Industry finally agree to create a petroleum monitoring agency, as recommended by the Standing Committee on Industry, Science and Technology?

[English]

Hon. R. John Efford (Minister of Natural Resources, Lib.): Mr. Speaker, we have this issue under discussion. I have always been of the view that private industry and the prices in private industry should be determined on the market price. Also, each provincial government has an option to regulate gas prices. Two provinces in Canada, Newfoundland and Labrador and P.E.I., already have given that consideration.

Privilege

We are looking at the issue, and we will make a decision some time in the near future.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Dr. José G. Amorin Batlle, Speaker of the Chamber of Representatives of the Oriental Republic of Uruguay, and his delegation.

Some hon. members: Hear, hear.

The Speaker: The hon. member for Saskatoon—Humboldt on a question of privilege.

* * *

• (1505)

PRIVILEGE

ORAL QUESTION PERIOD

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.): Mr. Speaker, if you would check the video transcripts of the last several times I have risen in the House to ask a question, each time the member for Winnipeg Centre, when I have asked my questions, rises and walks in front of me in an attempt to disrupt my question. I believe that is a violation of my privilege in the House.

The question I asked today was a very serious matter about a victim of crime who was victimized, in the first instance by her ex-husband who kidnapped, raped and beat her and in the second instance by a justice system that let him off on probation. Now in the third instance, the NDP got up and applauded the lenient sentence because the guy is an Indian offender.

The NDP members may find it is acceptable that criminals are sentenced based on their race as opposed to the severity of the crime they commit, but I do not and I think I should be given due respect, and there is the member for Burnaby—Douglas. Why these childish antics? Do I not have the right to stand in the House and ask a serious, legitimate question without listening to this childish, juvenile heckling?

The Speaker: The hon. member for Saskatoon—Humboldt has raised a point. I draw to the attention of all hon. members, particularly those sitting near him, since he is in perhaps the most difficult place for this rule to apply, Standing Order 16(2) of the House. It states:

When a Member is speaking, no Member shall pass between that Member and the Chair, nor interrupt him or her, except to raise a point of order.

This is a rule that sometimes is not carefully observed in the House, but I would remind all hon. members that it is a Standing Order which we live by in here and which should apply to all hon. members.

Government Orders

I stress the point about interruptions and I stress, on behalf of the hon. member for Saskatoon—Humboldt and all other members, the rule that members are not to pass between the person who has the floor and the Chair. Usually it means having to go by another route. If the member for Winnipeg Centre, for example, wanted to get up and leave the chamber during the hon. member's question, he has to go forward and out that door or across the House and not back between me and the hon. member.

Is the message clear? The Standing Order says so. I can only enforce the Standing Orders. I thank the hon. member for Saskatoon—Humboldt for drawing this to the attention of all hon. members.

Ms. Libby Davies: Mr. Speaker, I rise on a point of order on the same issue. I would like to point out that the member who has just spoken is not a part of our caucus and if there are members of the Conservative Party, who just clapped, who would like to have him sitting over there, we would most definitely welcome that.

The Speaker: I do not think the hon. member is rising on a point of order. She seems to be getting into a debate. If she wants to debate the Standing Orders, the place to do that is the Standing Committee on Procedure and House Affairs Committee, and I would invite her to go there with this point.

Mr. Howard Hilstrom: I would certainly ask that member from B.C. to withdraw those remarks.

The Speaker: I do not know to what remarks the hon. member is referring. If it was suggesting a change of seating or something, I do not know. I think we will leave the matter at rest.

When the House broke for question period, the hon. member for Nanaimo—Cowichan had the floor, and I understand there are eight minutes remaining in the time allotted for his remarks.

GOVERNMENT ORDERS

[English]

CUSTOMS TARIFF

The House resumed consideration of the motion that Bill C-21, an act to amend the Customs Tariff, be read the third time and passed.

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, one of the dangers of speaking just prior to question period is that with the passing of an hour one sometimes forgets one's train of thought. If the rest of my colleagues and perhaps those who are viewing at home will humour me, I may repeat myself a bit. I am sure everyone will agree that it does bear repeating.

Bill C-21, an act to amend the Customs Tariff, has provoked an interesting debate in the House on a number of issues that surround the issue of trade itself. Being a member of Parliament from the west coast of Canada, in fact one of the most westerly ridings in Canada, there is no question that the economy of my riding depends very much on the imposition of a good rules-based trading system.

Most of the people in my riding, even though they have concerns about globalization and its effect upon particularly underdeveloped countries around the world, realize that they gain their bread and butter from having an effective rules-based trading regime in place.

We do not always like what we see happening under NAFTA or under the WTO. However, we are glad that there are rules and procedures that we can follow in terms of dispute resolution to take care of some of the problems that we see in trade today.

I stated before question period that I had travelled in the Orient a number of times. I am pleased to see that there is a rise in the standard of living in countries such as China, where indeed more jobs have been created by the entrance of foreign capital and corporations which are beginning to increase their production in these countries.

However, even though we realize the importance of Bill C-21—and indeed there is an absolute necessity that this legislation be passed in the House because the old legislation indicated that it would expire on June 30 of this year—we have some concerns about the way in which the Liberal government introduces legislation itself.

Why bring it in now? There is the possibility of an election being called in a week, two weeks or a month, who knows? Is it the government's desire to then rush through these kinds of bills in a short period of time, perhaps not giving the bills adequate debate, not giving members of Parliament the opportunity to really take a look at all of the issues surrounding the bill, and to simply move it forward by haste to reach this deadline?

I want to suggest that over my seven years in the House this is simply a brand of the way the Liberals do business. It is a Liberal tactic. It is the indication of a government that has been far more reactive to situations than proactive. That is one of the sad things that I have experienced in the House from the government. Instead of giving Canadians a vision of hope for the future, a five year plan or a 10 year plan in any area of government that would tell us where it is taking the country down the road, it reacts to crisis rather than be proactive to produce a plan that will work for Canadians.

● (1510)

We saw this taking place in a number of areas. I have seen it personally in the way it handled the Iraq war. My personal preference was that we not enter the Iraq war with the United States; however, what happened in that situation was that the government put off enunciating Canada's position until the very last moment. It opened up all kinds of misunderstandings and misinterpretations of where Canadians really stood on this issue.

We saw it happen of course with the softwood lumber agreement which greatly affects my riding. I indicated this before question period, how the softwood lumber concern, a trade issue, has affected so many jobs in my riding.

Simply put, here was an agreement that the government knew expired in the year 2001, and instead of being proactive and ensuring that we could move into something that could take its place at the expiration of the negotiated treaty, we simply moved into this protracted period of almost three years now where we have no agreement with the Americans over softwood lumber. It has deeply hurt the industry across Canada, particularly in British Columbia.

Government Orders

This again is an indication of a government that does not prepare. It simply reacts to crisis and once again we see that in the way it treats legislation. It puts it off and then when it is somewhat politically opportune, it brings it in, deals with it by rushing it through Parliament. We do not have the kind of time and attention paid to legislation that we should in this place.

We see the same sort of thing in reference to the same sex marriage question where it wants to put it off to the courts rather than to allow members of the Parliament of Canada, who speak for the people of the nation, to represent their concerns in the House on such a huge issue. The government puts it off. It tries to put it out of its particular purview and make someone else responsible for it.

That is irresponsible and it is in the same kind of vein in terms of the legislation before the House. It brings in legislation at the very last moment when it is politically opportune to get it out of the way. It is almost like a work filler for us to have something to do before the election comes along. I suggest that is not the way it should be.

Even though we have these concerns about the bill, and its timing, we do agree with the bill and we will be supporting it when it comes to a vote in the House.

● (1515)

Mr. Ted White (North Vancouver, CPC): Mr. Speaker, there were a couple of issues which my colleague raised during his speech which I just could not wait to comment on. One of them was about the sweat shops. He did express the concern which we hear about a lot here and out in the general public as well about the sweat shops which are in existence in some third world countries and actually, regrettably, in Toronto and Montreal as well.

Certainly, in third world countries there are quite a lot of sweat shops manufacturing products which we consume. The real question is, how do we as a nation help to get rid of these sweat shops and improve the quality of life for those people and improve their wages?

The NDP and a lot of left wing activists would have us get the corporations out of there and close these sweat shops. Of course, anybody who thinks through the problem will realize that does not solve it at all. All it does is throw the people into more poverty, so it really is not an answer. In fact, it is cruel to even suggest that should be done.

The correct way to do it and perhaps I will relate back to the example I gave earlier going back a couple of centuries to good old England. At that time, there were little boys working as chimney sweeps, climbing the insides of chimneys. Many of them died at a young age from cancer of the scrotum because of all the carbon that was on their skin.

These were the horrible conditions that existed only a couple of hundred years ago in a society that we now consider very advanced. How did that situation improve? By encouraging initiative, free trade and expanding markets so that companies could expand and improve the lot for their workers. Unions appeared and were able to improve working conditions.

The answer is not to close down the sweat shops. Tough as it seems, we may just have to continue to buy the goods and hopefully,

within a very short time because of the expansion of the markets, those sweat shops will start to disappear.

Another issue the member mentioned was the failure of the government to offer any real vision for this country. It is ramming through these bills at the last minute before the election.

During question period we saw an absolutely disgraceful display of a standing ovation on the other side when a member tried to bring up an absolutely heinous crime that occurred in B.C., which the people of B.C. are absolutely outraged about. It has been front page news there. It is on all the talk shows and people are absolutely outraged that a person who almost murdered his wife, raping her and beating her, was sentenced to probation. It is absolutely an outrageous crime and to see these people over there standing and applauding a mindless answer from the minister really indicates where their heads are.

They claim to have a monopoly on compassion, tolerance and understanding in this country. In fact, they are the least compassionate, least tolerant, and least understanding people in the whole country. They should be treating that as a serious issue that needs attention. It should be part of the vision for the country to correct those imbalances in the legislation, instead of rushing through and taking the ridiculous attitude of rushing through pieces of legislation at the last minute. That is what we are faced with.

I would like to ask the member, reverting back to the sweat shops, does he see some way that we can contribute to closing those down through these free trade agreements and lessening of tariffs?

● (1520)

Mr. Reed Elley: Mr. Speaker, I want to thank my colleague for his comments and his questions. I would agree that one of the effects of globalization is that in the initial stages of helping undeveloped countries develop their own economies and infrastructures, unfortunately this kind of thing happens. It is a fact of life and there are enough unscrupulous people around that they will take advantage sometimes of situations like that.

Of course, in some ways the market does solve the problem itself in terms of the economy growing and people's standard of living starting to be raised, and we move out of that kind of circle of perhaps abuse.

One of the other things that has to be done too is that Canadians—we all invest in companies and mutual funds—need to put pressure on companies to be ethical and just in their treatment of people around the world.

I want to reflect briefly on the little incident that occurred just after question period. I, too, found it reprehensible that a member, even though we may not agree with his particular point of view in many cases, would be treated with such contempt particularly by people who have the name democratic in their party. I just cannot understand that. In this country, the race toward political correctness has very often shut off legitimate debate on serious issues that Canadians are really concerned about.

Government Orders

If we were to have that viewpoint dominant in the House in the years to come, it would bode ill for our country and our democracy. I hope that our Speaker and others who are in authority will continue to keep us on the right track on those issues.

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, I certainly appreciated the comments of my colleague from Nanaimo. I think that the issues raised by this bill and the hurry up fashion with which it is being rushed through the House are symptomatic of the way the government has been treating some important legislation over its mandate. I find that particularly reprehensible.

I think that one of the key issues reflected in the bill has to do with the failure of the government to look far enough ahead when these sorts of agreements are due to expire.

My friend has an interest in the softwood lumber issue in British Columbia, where we had the same sort of happenstance. We were aware that the agreement was going to expire well in advance of the due date, and yet only in the moments leading up to that did the government decide it had better get on the bandwagon and try to solve the problem. I wonder if my friend sees any parallels between the way Bill C-21 has been brought forward and the fallout from the other.

• (1525)

Mr. Reed Elley: Mr. Speaker, I touched on that issue in my speech, but I simply want to reiterate that I do see some parallels here. I am afraid that it is a pattern of governing that has infected the Liberal Party and its approach to government. I am sure that Canadians are getting tired of this. They want a government that has a vision. They want a government that can enunciate that vision to the country. Canadians want a government that will be proactive in terms of meeting the real challenges of the 21st century. After all, we are in the 21st century. We in Canada need to do a lot of things to bring our country into the 21st century, most of all in the way we govern ourselves and in the institutions of Parliament.

I have been here for seven years. Over those seven years I have heard people say that this place needs to be modernized, that government needs to meet the needs of the people, and that people ought to have a direct say in government.

Those people on the opposite side of the House, members of the governing Liberal Party, have been making promises for years and now we have a Prime Minister who is suddenly awake to the democratic deficit as if it was never here during the last 15 years he has been here. I think that he and the government have set a terrible example for the country. They have known about these problems all along and have not done anything about them.

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, we are here today to debate Bill C-21. For the riding of Selkirk—Interlake, any bill dealing with trade and tariffs is of primary importance. I have some points to make here today that will add to the debate.

Just so it is clear, as some people may be watching at home, Bill C-21 amends two sections of the customs tariff, specifically the general preferential tariff and the least developed country tariff. Under this bill, they are extended for another 10 years until June 30, 2014. The current legislation expires on June 30, 2004, so this matter

is becoming fairly urgent. That is why it is being brought to the House now. This is the kind of legislation that the government should be making an earlier commitment on, a commitment to have it fully explored as opposed to trying to have it done in a rush without due diligence or thought.

These sections of Bill C-21, along with the act itself, are very important due to the fact that the majority of nations in the world that we trade with fall under this act in relation to the international agreements we have with them. Canada needs this stability in its import markets as well as in the export markets. On trade, it is my opinion that Canada absolutely needs to have the most extensive trading network possible on the international scene.

Every country in the world has something that Canadians would like to buy and probably every country in the world would like to buy something from Canada. Of course every country looks at this and says that for a country to get richer, it would like to sell but not buy anything. In this way a country could get richer and it would let other countries fend for themselves. But that is not the way it works. We have trade agreements that help facilitate this.

I believe that the ultimate objective in the world would be to have a trading system or relationship that is without tariffs and without barriers to trade so that all nations, and poor nations in particular, could bring themselves to a higher standard of living and become richer. I think that is what trade does.

Over history, the most successful nations in the world have been those nations that have used trade and the enrichment that trade brings not only to ensure that they have the financial resources to have a good way of life, but to ensure that they also have the cultural effects. People move from country to country and end up spreading their culture and good ideas around.

We also know that facilitating trade and having a lot of trade relationships with other countries have an overall security effect. If countries are closely intertwined in a cultural and economic relationship, they will be less inclined to battle each other and fight to the detriment of both. That is why we on the Conservative side are so much in favour of expanding trade. We are not saying we should expand trade at any cost, and of course the world has not yet reached the point where we can say that it is total and 100% free trade among all nations and everything will be fine, but it is one of those lofty goals that we in Canada have to reach for.

• (1530)

This customs tariff is organized into several major components. One is the most favoured nations tariff. We also have the general preferential tariff and a least developed country tariff. Finally, nations are subject to the general tariff rates.

These rules are under domestic legislation, which is what we are doing here today, and also under international trade agreements. The WTO, the World Trade Organization, is one of those organizations to which this applies. Of course our relationships with other countries on a bilateral or trilateral basis are also trade agreements. NAFTA, the North American Free Trade Agreement, is one of those other agreements.

Government Orders

To digress a little, when I am travelling across the country as the agriculture critic with the Conservative Party, I hear farmers say that “those doggone Europeans”, or the Americans or whoever, have slapped a duty on us. For instance, a duty has been slapped onto wheat, affecting the whole country but western Canada in particular. These are examples.

People blame the WTO and NAFTA for the duties that were slapped on. That is a typical trick of the NDP. They just love to say that these world trade agreements and globalization are bad, bad, bad.

The facts of the matter are these. I will use the example of the United States cattle a few years ago. We remember R-CALF, that producer group in the U.S. It was concerned that with our cattle going down there it was causing undue harm to the financial well-being of the United States. The United States producers used domestic U.S. law to put up those tariffs. What do we do when we are a little country of some 30 million people compared to a country of some 300 million people? It is a big difference. It is the old story of the elephant and the mouse. Those tariffs got slapped on and it cost us an awful lot of money. We had to pay to get our beef across the border and the Americans kept the money.

My point is that because of the WTO agreements and the NAFTA agreement we were able to use the dispute settlement mechanisms and we got the U.S. to back off on its domestic trade laws. It had misused those laws and was in contravention of the WTO. That is why we in the Conservative Party are such strong supporters of NAFTA, of World Trade Organization talks and of other international agreements that facilitate trade and, most important, stop the big guy from bullying the little guy.

I have talked about NAFTA and the WTO and the dispute settlement mechanisms. I would like to talk for a minute about agriculture in particular. The importance of tariffs is paramount as the negotiations go on in changing to this new order that everybody is talking about, where tariffs will come down.

I will remind the House that the general belief and policy position of the Conservative Party is that tariffs should be negotiated down. But in the case of supply management, our system in Canada certainly has control of supply. Extra supply is not put out. This is done through a legislative process. There is a built in cost of production formula so that there is some reasonable return on those products.

• (1535)

Part of the three pillars of supply management is that import tariffs have to be sufficient to prevent other countries from putting a lot of product into Canada over and above what we have agreed to at the WTO. Those high tariffs do that for supply management.

Many people like to say that the member for Selkirk—Interlake is against supply management or that he is against this or that. A lot of misinformation is being put out. Unfortunately, I happen to have a lot of these four-legged creatures, called cows, at home, and the beef industry in Canada is protected by tariffs also. We have a limit of around 79,000 tonnes that comes in from oceanic countries like Australia, New Zealand and Brazil. That limit is there for the

purpose of not having our beef industry flooded with excessive amounts of cheap foreign beef.

We will be working to lower those tariffs so we can have more free trade in the beef industry. That can be done at the negotiations of the WTO. However, we will not arbitrarily lower these tariffs. It is the same with the supply management side. The Conservative Party very clearly will not arbitrarily lower those import tariffs.

We will have to negotiate those tariffs at the WTO. The former agriculture minister said that the government supported supply management 110,000% and that it would never change. There was that kind of talk. Even the current minister says things along the same idea, but he modifies it a bit.

On supply management, trade and tariffs, in 1995 the Liberal government, with the current Prime Minister as part of that government, signed away article XI, the article in the trade agreements between countries that protected supply management from any change. The government put it on the negotiating table of the WTO. It said that it would agree to 5% imports in 1995. Later the Liberal government negotiated to have the supply management tariffs, which were on the negotiating table, lowered so we in Canada would end up accepting more imports of supply management commodities.

I think the Liberal government is proceeding along with that process because it is on the table at the WTO right now, which is where it should be. We all have to look at every sector of our economy and participate ultimately in world negotiations. That is supply management.

There is some name calling by the Liberals, and I have expressed their misstating of our position on trade and on supply management in particular. However, I would like them to remember that our position is consistent, whether it be beef or supply management.

I will talk briefly about tariffs and the two particular parts of our agriculture industry. This is where I get to the former Prime Minister Jean Chrétien and many of the Liberal members, who are still sitting here. Under the least developed country tariff agreement, the prime minister said that we would accept agriculture commodities from the least developed countries to help them enrich themselves. They could sell more to Canada to make their economies work better. That would allow the poor farmer to sell more to help enrich a country. However, he said that we would not let any supply management commodities come into the country. Rather we would allow only those non-supply management commodities. That made a lot of farmers say, “Just a minute”. They said that if we were to have international agreements that affected agriculture, at least it should be done in a uniform basis so all commodities would be affected similarly.

• (1540)

That was one of the big faults with the Liberals. They tried to pick out one or two commodity groups and treat them different from all agriculture commodities across the country. That is just plain not fair, and it causes division between agriculture groups.

Government Orders

I know the Grain Growers of Canada, with their excellent executive director Cam Dahl, has one kind of possession on the trade that we should be moving toward greater trade. The Canadian Federation of Agriculture is generally saying that tariffs should not be reduced too much, that we should keep the status unless we can get the deal we want, and if we do not get what we want, we should not negotiate. Once again, this is causing dissension between commodity groups in the country.

Canada is saying that it is part of the Cairns Group, which is the group of countries, primarily led by Australia. It is recognized as the leaders of those middle sized countries in the trading world that want to see everyone enrich themselves and prosper. It points out that this cannot be done when rich countries and rich groups of countries, namely, the United States and the European Union, have so much money that they can outbid and out-finance every other country in the world and in effect subsidize their farmers to the point where they can compete with anybody because they can produce the food for nothing and still make a living. That is wrong.

The Cairns Group wants to change that, and that is tremendously important in looking at all these tariffs and trade agreements. It is tremendously important that tariffs come down and that trade is facilitated between countries. The Cairns Group is certainly a leader in that.

I wanted to bring up the Cairns Group in this context because Canada is part of that group, but it is not really a leader in it. We are the biggest country in the group, from an economic point of view, and we should be a leader and go for the ultimate goal of freer trade, lower tariffs and greater market access. That is tremendously important.

About four years ago I was in Washington, D.C. We talked to the people who dealt with least developed countries that were trying to enrich themselves. The speaker pointed out very clearly the importance of having countries willing to accept imports from these poorer countries.

The conclusion of my speech is that we have to, as rich Canadians, allow greater imports into Canada by these poorer countries. We will end up becoming richer also, and not with just a good feeling in our hearts. When those countries become richer, they will buy more beef from us, and that will help our cattle ranchers.

• (1545)

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I listened closely to what the hon. member said about supply and management, and I am curious. When they were negotiating, as the hon. member spelled out, there were some trade-offs. Could the hon. member tell me just who the negotiator was at the GATT talks?

Mr. Howard Hilstrom: Mr. Speaker, there is a long history in regard to the General Agreement on Trade and Tariffs. Back in the early 1980s, and before that, agriculture was not really in any international trade agreement. There was trade in agriculture, but it was not really in the agreements. It was brought under the WTO in order to have agriculture as part of it.

The Progressive Conservative Party of Canada was the negotiator at that time. Then the Liberals came into power in 1993 and finished it off. When I say finished it off, they literally did finish off supply

management because they negotiated away article XI. When they did that, of course it opened up Canada's supply management system to change. That change is continuing to progress today, and we will see it continue at the current WTO trade talks.

I would like to think, as history moves along and the next day comes along, that hopefully the Conservative Party of Canada will be in a position after the next election to be the ones to do the negotiating and making a much better deal for Canada than would ever be done by the government currently in power.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, I am not clear whether the hon. member, speaking on behalf of his party, is suggesting that his party would eliminate supply management in its international negotiations or would fight to maintain supply management?

Mr. Howard Hilstrom: Mr. Speaker, the Conservative Party would fight to maintain supply management during the negotiating process that is underway. The negotiating process underway was started by the right hon. member's party back in the 1990s. He may have been foreign affairs minister at that time. I do not believe he was prime minister, but his party started the negotiations.

I think what Canada did in those years was to isolate itself to the point where it could no longer protect article XI. Every other country in the world, particularly the United States and the European Union, said that Canada was the only one taking that position. Therefore, it told Canada that article XI would be taken away, and the Liberal government signed on to that agreement.

I do not say that what happened at that point was totally wrong. I have made the point that the Conservative Party of Canada believes in freer trade. We have to move forward based on what the former Progressive Conservative Party did at the WTO talks and on what the Liberals did by signing the very agreement, which they both negotiated. As a country, it is in our interest to continue with the WTO negotiations. No matter which party is in power, we will see it move forward.

Of all the parties in the House of Commons, the one with the best policies on international trade is the Conservative Party of Canada, of which I am a member. We are the best ones to lead the country into the 21st century on trade issues.

• (1550)

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, let us just do a bit of a history lesson for the member across the way.

In 1993, when we were doing the negotiations there were 117 nations involved in the WTO. Of that, 116 were going to vote against article XI. The last two months after the October election, when we came in, we renegotiated with the industry internally and came up with the trade rate quotas, the TRQs.

My question for the hon. member across the way is this. Is he saying we should have stuck with article XI, knowing full well we would lose and thereby destroy supply management?

The Budget

Mr. Howard Hilstrom: Mr. Speaker, I am just pointing out that the Liberal government, by signing that agreement, started the process by which supply management will ultimately meet its demise. We are the only country in the world with it. We have been committed by the Liberal government to negotiating the two pillars down. That commitment will go forward.

If Canada thinks it can say, just like it did back in 1993 to 1995, to what is now about 176 countries that this is ours and we will never change it, we will end up in exactly the same position of being unable to negotiate the best deal. We were told by the big countries and the rest of the world that we will have to change our supply management whether we like it or not.

I prefer the Conservative way of doing it, and that is negotiating the best deal for our supply management farmers rather than simply selling them out like the Liberals did back in 1995.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

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

Hon. Joe Jordan: Mr. Speaker, I rise on a point of order. I ask that you suspend the House to the call of the Chair.

SUSPENSION OF SITTING

The Deputy Speaker: Is it the wish of the House to suspend the sitting to the call of the Chair?

Some hon. members: Agreed.

(The sitting of the House was suspended at 3:54 p.m.)

● (1600)

SITTING RESUMED

The House resumed at 4 p.m.

The Speaker: It being 4 p.m. the House will now proceed to the consideration of Ways and Means Proceedings No. 1 concerning the budget presentation.

* * *

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. Ralph Goodale (Minister of Finance, Lib.) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, first, I wish to table the budget documents for 2004, including notices of ways and means motions. The details of the measures are contained in the documents. I am asking that an order of the day be designated for consideration of these motions.

I am also announcing that the government will, at the earliest opportunity, be introducing bills in order to implement the measures announced in this budget.

Let me begin by thanking all those Canadians from coast to coast to coast who have helped me to prepare this budget. Their optimism, their pride in this country, their hopes for its future and their commitment to its values have played a major role in shaping the budget that I present today.

During all my consultations I was struck once again by the common good sense of Canadians and by their sense of the common good. From Whitehorse to St. John's I was reminded of values like hard work, straight talk and paying your bills, a sense of responsibility, one to another, of caring and inclusion, and a healthy skepticism that is more impressed by what we do than by what we say.

[Translation]

A few weeks ago, in the Speech from the Throne, this government presented an ambitious agenda for a new decade of Canadian achievement. We offered a vision of this country as one brimming with opportunity and recognized around the world both for the strength of its economy and its commitment to social justice, a nation respected, trusted and influential in global affairs.

● (1605)

[English]

Today I am presenting a focused budget plan with two clear objectives: first, to demonstrate unequivocally the principles of financial responsibility and integrity; and second, to begin to give tangible shape to the goals presented in the Speech from the Throne. We are making the initial payments that we can afford to make now, and in future budgets in future years we will build on the steps being taken today.

Let me make clear what this budget will do and what it will not do. Some have suggested that we will throw fiscal caution to the wind. We will not. Some have said that we will engage in a pre-election spending spree. We will not. Some have said that we will play fast and loose with the economic progress Canadians have worked so hard to achieve. We will not.

What we will do is make important investments in such key areas as health care, communities and learning, for these are the social foundations upon which Canadians will build better lives.

What we will do is give more Canadians the opportunity to succeed, to enlarge their ambitions and pursue their dreams.

What we will do is balance the books and better control spending because Canadians have come too far and have sacrificed too much to slide back into the glue of red ink and deficits. Again this year we present a balanced budget, as we will do next year and the year after that.

What we will do is keep our debt burden on a steady downward track to relieve the mortgage that our generation and previous spending habits have imposed upon the future of our children.

And we will strengthen financial management and operational integrity within government because Canadians deserve the utmost in accountability, transparency and value for hard-earned tax dollars.

The Budget

That is why we are announcing today a comprehensive plan, under the leadership of the President of the Treasury Board, for a modern expenditure management and oversight system aimed at preventing the kinds of financial abuses that have so understandably angered Canadians.

As a government we not only accept our responsibility for what went wrong, we also accept our responsibility to get it right.

First, we will re-establish the Office of the Comptroller General of Canada to rigorously oversee all government spending.

Second, we will appoint professionally accredited comptrollers to sign off on all new spending initiatives in every government department.

[*Translation*]

Third, we will reorganize and bolster the internal audit function on a government-wide basis to ensure comprehensive audit programs, based on sound risk analyses of all departmental activities, with the authority to delve into every corner of every portfolio, no matter how small or seemingly "special".

Fourth, we will introduce modern, real-time information systems to track all spending and provide appropriate tools for effective scrutiny and decision making. This will include the public disclosure of the contracts entered into by the Government of Canada, with only very limited exceptions such as national security.

Fifth, we will introduce new corporate governance rules for Crown corporations and require their five-year special audits, conducted by the Auditor General, to be tabled with Parliament and posted on their websites.

Taken together, these measures will enhance transparency, improve administration and help ensure that taxpayers' dollars are wisely spent. Management with integrity. Canadians deserve no less.

● (1610)

[*English*]

These are important steps, but we also need more. Quite apart from issues of integrity and ethics, government needs the courage and the foresight to renovate and to reshape its current spending patterns to better achieve both immediate and future priorities.

Within our first month in office, we began to tackle the task of identifying the \$1 billion in ongoing savings across government which the previous budget had promised and booked. With this budget, we have finished that job through such decisions as cancelling the political history museum, forgoing VIA Rail's capital expansion, terminating the sponsorship program and the national unity reserve, reducing advertising programs, and trimming departmental budgets across the board, effective April 1, 2004.

Going forward, we need to re-examine and refocus more of our spending. For this purpose, we have created an expenditure review committee of cabinet, which is examining every dimension of government spending. The committee is setting stringent standards that every department will have to meet and asking some tough questions that every department will have to answer. The expenditure review process will be rigorous, testing for relevance and for excellence.

I immediately want to answer the question, why? It is not about cutting. It is all about finding the money to do something new, to implement our multi-year agenda for a new decade of achievement.

[*Translation*]

Revisiting what we do and how we do it should not be a one-time thing, sporadic or piecemeal. It should be an ongoing exercise to renew and rejuvenate government. And that must include investing in high-quality government management—attaching as much of a premium to strong management as we do to policy development.

Within a period of four years, we expect to identify at least \$3 billion for new investments in the ever-evolving priorities of Canadians—in health care, learning and innovation, communities, Aboriginals, people with disabilities. And let me make one final point: we will not commit to these reinvestments unless and until we have found the money to pay for them.

[*English*]

Responsible fiscal policy, including setting aside funds to address unforeseen circumstances, has been the cornerstone underpinning Canada's strong and resilient economic performance in recent years.

Last year this policy was needed more than ever as Canadians faced some hard and unexpected circumstances. From the BSE crisis to the SARS outbreak, from a huge power blackout in Ontario to hurricane Juan across Atlantic Canada and massive forest fires in British Columbia, 2003 brought its full share of adversity.

This extraordinary combination of extreme events had a significant impact on the well-being of all Canadians. Economic growth in 2003 was 1.7%, about half of what private sector economists had originally predicted. But because of the strong economic fundamentals which Canadians have worked so hard to secure, Canada had the capacity to weather the storms and emerge from 2003 in better shape than many had expected.

Indeed, it is in the rough patches that the purpose of setting aside money for contingencies really comes to the fore. That is what enabled us to address some of the extraordinary burdens imposed by SARS and BSE, including as announced yesterday in Alberta by the Prime Minister, the Deputy Prime Minister, and the Minister of Agriculture and Agri-Food, \$1 billion in direct assistance to agricultural producers. That is money to help offset the severe hardships caused by recent disease outbreaks and sudden drops in farm incomes.

That is why a contingency reserve is so valuable and so necessary. At the end of this current fiscal year, we expect that reserve to stand at \$1.9 billion. I am pleased to report that for 2004-05 and 2005-06, our contingency reserve will be \$3 billion. If that is not needed to cover unforeseen circumstances such as those we encountered in the past year, the \$3 billion will be used each and every year to reduce our debt.

The Budget

Beyond the contingency reserve, this budget also sets aside a further \$1 billion in economic prudence, with increasing amounts in outer years. If that extra prudence is not needed in any given year, it will be used to fund the priorities of Canadians.

On the matter of debt, Canadians instinctively know that paying it down is the right thing to do, for themselves and for their government. We have done that in the past, paying down more than \$52 billion of debt to date, resulting in interest savings of about \$3 billion each and every year, money that is now being invested in priority areas such as health care and learning.

Over the same period, our debt to GDP ratio, that is, the size of our debt relative to the size of our economy, has also been coming down. In fact, from its peak of 68% in 1995-96, it fell to just over 42% in 2003-04.

I know that bringing down the debt to GDP ratio sounds like something that only a finance minister or perhaps a lonely economist could get excited about, but the simple fact of the matter is everybody benefits. That is because a declining ratio means a stronger financial position overall, and that stronger financial position is what helps to keep interest rates low so people can buy that first home, start a business, upgrade some farm equipment, or otherwise invest for tomorrow.

•(1615)

As we look down the road just a little, we know that an aging population will soon have at least two profound effects on our society. There will be fewer people working and therefore, fewer people contributing to the social programs that we so value. At the same time, there will be greater demand for those same programs, particularly health care. By prudently managing our finances today, we make sure that we have the resources we will need to better satisfy these growing demands. Therefore, I am proposing that Canada set a reasonable goal of lowering its federal debt to GDP ratio to 25% within 10 years.

It was with that kind of foresight that we restored the foundations of our public pension system, so Canadians can be confident that it will be there for them when they need it. The Canada pension plan is now actuarially sound for at least the next half century. It is one of the very few public pension systems in the world to be so secure.

In establishing the government's economic projections for the coming years, we have again consulted with leading private sector economists and forecasters, a process, by the way, which the International Monetary Fund has recently held up as an example for others to follow. This year we also made a special effort to include more regional points of view from the west and from Atlantic Canada.

Based on those consultations, the average private sector forecast for real growth in 2004 is 2.7% and 3.3% for 2005. While much improved over last year, this increased growth will still not be sufficient to make up the significant economic ground lost in 2003. Indeed, the effects of last year will be felt for some time and constrain our fiscal projections going forward.

Nevertheless, Canada will record its seventh consecutive balanced budget. It is the first time a seventh consecutive balanced budget has happened since Confederation.

•(1620)

[*Translation*]

Canada will record its seventh consecutive balanced budget—something that has not been achieved since Confederation. This strong commitment to balanced budgets increasingly distinguishes Canada from every other G-7 country. When faced with the global uncertainty of recent years, those other nations have all moved back into substantial deficits and rising debt—every single one of them. I am proud that Canada—and Canada alone—has held the line. We have stopped pushing our current financial burdens onto future generations.

Let me turn now to the specific steps we are taking to advance the social, economic and international agenda we set out in the Speech from the Throne.

The number one priority of Canadians is health care. No other priority speaks so directly to the decisions we have made as a country about how we will live as a society. No other priority speaks so eloquently to the commitments we have made to one another as citizens.

In our last budget, support for health care was increased by \$34.8 billion over five years. In addition, as confirmed by the Prime Minister, an additional \$2 billion will flow to provinces and territories.

[*English*]

Over the five year framework covered by the 2003 accord on health care renewal, total federal cash transfers in support of health and other social programs will increase by an average of 8% per year—significantly faster than the rate of growth in the economy overall. This is substantial funding. This is predictable funding. However, more work needs to be done.

The real challenge is putting Canada's health system on a truly sustainable footing. Indeed, when I met with all my provincial and territorial colleagues in February, every single one of them reflected the consensus that I had heard during all of my pre-budget consultations—sustainability must be our focus. But what does that mean?

Money is part of it for sure, but so too is reform—making the necessary changes so our health care system will be there for Canadians when they need it. We need to focus on results—on measuring better and managing smarter to reduce waiting times and ensure the highest quality of care for all Canadians. And we must focus on governments working better together, not through duelling advertising campaigns. Canadians have had enough of the blame game. They want to see politicians fighting for medicare, not fighting over medicare.

To that end, my colleague, the Minister of Health, and I will be meeting with our provincial and territorial counterparts to develop a shared understanding of the issues related to sustainability, and to prepare the ground for another first ministers' meeting, to be held this summer, to discuss the changes necessary and to make decisions for the future.

The Budget

In the meantime, events such as the SARS outbreak and the spread of the avian flu have reminded all of us that we now live in a more vulnerable world where disease can spread from one end of the globe to the other in just a matter of hours. As a result, we face new challenges to our public health systems, requiring new approaches and new responses.

With this budget, we begin to provide the resources for a new Canada public health agency, to be able to spot outbreaks earlier and mobilize emergency resources to control them sooner. As a first step, we will transfer close to \$400 million from Health Canada's current budget to establish the nucleus of this new agency.

Second, we will provide an additional \$165 million over the next two years to invest in surge capacity, laboratories, surveillance systems and the kind of research that will lead to new vaccines and new treatments.

Third, we will provide the provinces with \$400 million to enhance their immunization programs and help relieve stresses on local public health systems.

Fourth, we will provide \$100 million to the Canada health infoway, the health information highway, to develop a national real time public surveillance system.

In total, this budget directs more than \$1 billion to public health initiatives. Once the agency and its new chief executive officer have developed a long term strategic plan, we will be in a position to make further investments to ensure that Canadians receive the national public health agency they deserve.

To be successful, a 21st century economy must be powered by ideas, imagination and innovation. Knowledge is the road both to economic progress and individual opportunity, and education is the bridge to take us there. Education can enable people to overcome differences in birth or background.

Back in my home town of Wilcox, Saskatchewan, in the depths of the Depression, a unique character named Père Athol Murray founded a remarkable prairie school known as Notre Dame. Père was tough as nails but he had a simple faith: that everyone should have the chance to go as far as their ability and their hard work would take them; that an education could open doors, expand opportunities and change lives. That was certainly true in the Depression years and it is even more true today.

●(1625)

[Translation]

That is why, in previous budgets, we improved assistance to students, created the Canada study grants, supported lifelong learning, enhanced the education tax credit, and added the Canada education savings grant (CESG) to registered education savings plans (RESPs). These measures were rooted in the fundamental belief that every Canadian who wants to learn should have the opportunity to do so.

And today we go further. I am announcing measures aimed at promoting learning at every stage of life. We will advance these

measures in consultation and cooperation with our provincial partners.

[English]

We begin in early childhood, because it is here that the foundation for future achievement is set. This budget will commit additional resources to the multilateral framework on early learning and child care so more children will be better prepared to learn at school and succeed in life. We will also provide increased resources to understanding the early years, a pilot program which helps identify children whose readiness to learn is at risk. This program will be extended to 100 more communities.

When it comes to putting money aside for their children's education, Canadians know how hard it is to save, but how important it is to start. This challenge is particularly acute for low income families who struggle just to make ends meet. To help these families, the government currently provides significant support through the Canada child tax benefit, in particular the national child benefit supplement. All in all, the annual federal investment in Canadian children and youth through the Canada child tax benefit is on its way to \$10 billion, making it one of the nation's most important social programs after medicare.

Still, too many Canadians, especially from low and middle income families, see a post-secondary education as an unattainable goal, not because the challenge is too great but because the cost is too high. To further assist these families to save for their children's education, I am announcing three important new measures.

First, beginning this year, we will introduce a learning bond in the amount of \$500, which will be available to every child born after 2003 to families earning less than \$35,000. Each year thereafter, for 15 years, the Government of Canada will contribute an additional \$100. This will provide up to \$2,000 for post-secondary education. Even with no additional contributions by parents or others, these funds could grow to nearly \$3,000 by the time the child turns 18, providing a foundation for higher education and a better future. The learning bond will benefit more than 120,000 newborn children this year alone.

Second, for families earning less than \$35,000, we will double the Canada education savings grant on RESPs from 20% to 40% on the first \$500 of contributions each year. This means that for every five dollars that a low income family contributes to an RESP, the Government of Canada will add two dollars. As a result, families receiving the learning bond and contributing as little as five dollars a week to an RESP could have close to \$12,000 by the time their child are ready for post-secondary education.

Third, we will provide some 20,000 students from low-income families with new grants worth up to \$3,000 to cover a portion of their first year of tuition.

The Budget

To further expand access, I am also announcing the following additional measures.

For families earning between \$35,000 and \$70,000, the CESG will increase from 20% to 30% on the first \$500 of contributions per year. This could benefit more than two million children in middle income families.

• (1630)

Each year the Canada student loans program provides financial support for almost half of all the full time students in post-secondary education. Students across Canada have told us that the program needs to be updated to reflect the changing realities of changing times. We agree.

We will improve the Canada student loans program to better reflect the true cost of post-secondary education. Specifically, we will increase the weekly loan ceiling from \$165 to \$210. Eligible expenses will be modernized to include computers as a new essential. We will ensure that more students will qualify for Canada student loans by reducing the parental contribution expected from middle income families. For those in hardship, we will increase the maximum amount of debt reduction from \$20,000 to \$26,000.

• (1635)

[Translation]

In Budget 2003 the government proposed to address certain concerns raised by people living with disabilities. They have asked that the government take action on expenses connected to employment or education such as talking textbooks or sign language interpreters. This budget will allow such expenses to be deducted. In addition, to better reflect the costs incurred by caregivers, we will enhance the tax credit for medical and disability-related expenses.

To ensure that the benefits of a growing economy are shared fairly, we must be a nation that provides its citizens with the opportunity to improve their skills over the full course of their lives. The demand for new knowledge spans all occupations, at all levels, in all sectors.

[English]

At the present time the education tax credit, which helps students with non-tuition costs for such things as books and supplies, is not available to employees taking courses actually related to their employment. This serves to discourage the upgrading of skills within the workforce and limits opportunities for advancement. We will end that restriction and make the credit available to every Canadian worker pursuing career related studies.

All in all, these initiatives, among others in this budget, will help to improve access to all forms of higher education and promote a culture of learning throughout life.

Over the past seven years we have dramatically increased federal support for research, especially at universities, colleges and research hospitals, by some \$9 billion. This has been a crucial part of developing a modern, dynamic economy capable of generating innovation essential to future success. The results of this investment are already showing up in international rankings. Canada has risen from 13th place to fourth place in the OECD and to first place in the G-7 in terms of publicly performed research.

Initiatives such as the Canada Foundation for Innovation, Genome Canada, the Canadian Institutes of Health Research, Millennium Scholarships, Canada Research Chairs and others have helped position Canada at the forefront of a knowledge based world.

Dr. Peter MacKinnon, the chair of the Association of Universities and Colleges of Canada has said that the federal focus on knowledge and innovation “can be in the 21st century what the construction of the transcontinental railway was in the 19th century. It can be a new national dream”.

To sustain our momentum, I am announcing today additional measures to strengthen Canada's research advantage. These include increased funding for Canada's three granting councils and for Genome Canada, plus additional support for the indirect costs associated with university research.

With all of these initiatives, Canada is developing an environment in which ideas flowing from scientific discovery are being generated at an unprecedented rate. Now we must focus on bringing those ideas to market, to realizing their commercial potential. That is what will drive our economy forward, increasing investment and employment.

Financing is the oxygen of entrepreneurship, enabling companies to move from the earliest stages of development to commercial maturity. If Canada is to become an incubator of dynamic new companies, we must do a better job of getting resources into the hands of Canadian entrepreneurs so that they can turn great concepts into going concerns.

To expand venture capital, this budget will provide \$270 million in new financing for promising start-up companies. When combined with private sector investments, this is expected to yield a total of \$1 billion in early stage financing.

This money will seed promising new enterprises with priority given to those involved in the life sciences and biotechnology, information and communications technologies, environmental technologies, medical devices and nanotechnology.

Canada's small and medium size businesses remain key engines of Canadian growth, taking risks, seizing opportunities, creating jobs. To encourage their further growth and development, this budget takes action on a number of fronts.

We will lower the costs of using the government electronic tendering system for federal government procurements, making it more affordable, more accessible, more competitive for more Canadian small businesses.

The Budget

•(1640)

On taxes, small businesses benefit from a lower tax rate on income up to \$250,000. Last year we committed to increasing the amount of income eligible for this lower tax rate to \$300,000 by 2006. Today we will advance that to 2005.

On innovation, Canadian businesses have embraced the essential formula for success in a knowledge based economy. Ingenuity plus technology equals productivity.

To encourage more companies to adopt new technology more quickly, this budget increases depreciation rates for computers and for other Internet and broadband technology to better reflect its useful life. This will benefit entrepreneurs and innovators in every sector of the economy, increasing productivity and creating 21st century jobs.

Canada's auto industry is hugely important to our economy. In conjunction with industry, labour and members of Parliament, the government will prepare a new national strategic framework for the Canadian auto sector in the 21st century. The strategy will undoubtedly include a strong emphasis on research and development. The new funding set aside in this budget to invest in advanced science and technology will help support the innovative work on the next generation of smart, fuel efficient and hybrid vehicles and renewable fuels.

Living within our means, getting better value for every tax dollar, strengthening health care and expanding opportunities for learning are all crucial steps toward a decade of achievement.

We also know that Canadians do not live in markets, nor do they raise their children in economies. They do so in neighbourhoods, in communities. It is here that public policy meets private lives. It is here that the decisions we make affect the lives that Canadians lead. Communities are the front lines for social issues and the engines for economic growth, attracting talent from around the world and forming the foundation for dynamic high tech clusters.

[*Translation*]

We need to ensure that Canada's communities provide a quality of life second to none. That is why the Prime Minister made a commitment to a New Deal for communities. For this government, the need for a New Deal is clear, the benefits compelling and the time is now.

Clearly, the Government of Canada is prepared to play its role and contribute its share. But a New Deal is not just about federal transfers of fiscal resources. It's about a transformative new partnership, involving all levels of government: federal, provincial and municipal. It's about doing things differently and doing things better.

We will table legislation to implement the commitment made in the Speech from the Throne to provide full relief from the goods and services tax to all municipalities.

•(1645)

[*English*]

This puts \$7 billion into the hands of communities over the next 10 years, starting with \$580 million in 2004-05 and \$605 million in

2005-06. This is real money for improved roads, better transit, clean water and expanded local services.

In addition, the government remains committed to working with the provinces to share with municipalities a portion of gas tax revenues or to determine other fiscal mechanisms which achieve the same goals.

On another front, we have committed some \$12 billion over the past number of years to help address a broad range of community infrastructure needs, and some of that funding is still outstanding. Today's budget will accelerate the \$1 billion committed last year to municipal and rural infrastructure so the money flows over five years rather than ten years. This will allow many smaller communities to meet pressing needs and to commence priority projects sooner.

We will also push forward with our \$1 billion fund for affordable housing. Only about half of it is invested to date, and we want to put it all to work quickly, even while we plan with our partners for the next tranche of housing investment.

Every day, in towns and cities across Canada, there are millions of people who make our country stronger, our lives richer and our future brighter by giving back to their communities. One way they do it is through the social economy.

Social economy enterprises are organizations that run like businesses, producing goods and services, but which manage their operations on a not for profit basis. Instead, they direct any surpluses to the pursuit of social and community goals.

[*Translation*]

The social economy is too often overlooked and under-appreciated.

This government will take steps to encourage the development of the social economy, support its aims, expand its efforts. Specifically, we will provide these organizations with access to our small business programs and provide new funding to strengthen support in three priority areas: capacity building, financing and research. Armed with these new tools, those involved in the social economy will be able to extend their work, touching lives and building communities.

[*English*]

And speaking of touching lives, we will begin to reshape a new horizons program for Canadian seniors. We will find creative means to bolster the usefulness and reach of Community Futures organizations and other instruments of regional development and diversification.

The Budget

A significant percentage of aboriginal people live off reserve, often in urban centres, where they face unique challenges and pressures. Through the urban aboriginal strategy, the government is working with communities across the country to find solutions to these challenges. Today I am announcing that we will double the funding for this initiative and extend it from three years to four, so that more communities can participate in meeting the needs and addressing the priorities of aboriginal people.

• (1650)

[*Translation*]

This budget also will provide support for the establishment of an Independent Centre for First Nations Government, which will lead the way in advancing self-government by building capacity within aboriginal communities.

Canada's aboriginal population is young—50% are under the age of 25. To ensure that this generation receives every opportunity to acquire the skills and knowledge necessary for success, we are renewing funding for the Aboriginal Human Resources Development Strategy.

[*English*]

Few things have a greater impact on the quality of life in our communities than the quality of our environment. This generation has both the responsibility and the opportunity to leave this land better than we found it and that means cleaning up polluted sites.

This cleanup will have long term benefits: leaving a healthier environment for our children and our children's children. But it will also have immediate benefits: providing employment and training opportunities, especially for aboriginal Canadians in the north. Cleaning up contaminated sites will reduce threats to vulnerable ecosystems, spur economic development, enhance quality of life and rejuvenate communities right across the country.

The budget commits \$3.5 billion over 10 years to accelerate the cleanup of sites for which the Government of Canada is responsible. That is the largest single environmental investment ever made by this or any other Canadian government, and it is one that will quite literally change the face of many communities.

In addition, we will provide \$500 million over 10 years to do our part in the remediation of certain other sites. As a priority, we will focus on the tar ponds in Sydney, Nova Scotia.

There is no doubt that environmental stewardship means addressing the legacies of the past but environmental technologies also create exciting opportunities for our future.

The government will sell its stake in Petro-Canada and a portion of the proceeds from the sale will be used to invest in new environmental technologies. We will take immediate action by increasing the funding for Sustainable Development Technology Canada by \$200 million and expand its mandate so that it can address issues of clean water and soil. All told, the government will invest at least \$1 billion in environmental technologies over the next seven years.

[*Translation*]

In the Speech from the Throne, this government announced a comprehensive, integrated review of our international policies. But our commitments cannot be put on hold. We need to continue our work.

More than ever, Canadians are thinking, living and acting internationally.

Canada has committed to double our international assistance budget by 2010-11. Today we are taking an important step toward this goal by increasing this assistance by \$248 million for 2005-06. We have made a commitment to the world's poorest, and we will honour it.

• (1655)

[*English*]

Quite often, the face of Canada around the world is that of the brave men and women of our armed forces. They shoulder the burdens and accept the dangers of service, and our nation's heroes deserve our nation's gratitude. I am pleased to announce today a measure aimed specifically at helping soldiers and their families. For those periods when Canadian soldiers and police are risking their lives overseas, they will no longer pay income tax here at home.

We must ensure that our military has the resources it needs to carry out its current duties. This budget provides \$300 million for ongoing operations in Afghanistan and for Canadian participation in a United Nations' multinational force in Haiti.

The budget also confirms that we will proceed with the purchase of new equipment, and in the case of search and rescue airplanes, we will accelerate their acquisition so that the Canadian Forces can take delivery literally years ahead of schedule.

Sixty years ago, on June 6, 1944, the Third Canadian Division landed on Juno Beach, and with their courage they helped to free a continent and defeat a tyrant. Many died fighting for a peace they would not see and a future they would not know.

To preserve the memory and to tell the story of what Canadians did that day, the budget provides a \$1.5 million contribution to the Juno Beach Centre at Courseulles-sur-Mer in Normandy. Those veterans gave their all so we could enjoy freedom in this place.

Just as that earlier generation of Canadians met the challenges of their day, so must we meet the challenges of ours. The time has come to launch a new decade of achievement. That means strengthening the social foundations upon which Canadians rely and individual initiative can build. It means building a 21st century economy where there is opportunity for all. It means restoring Canada's place of pride and influence in the world.

A nation as blessed as ours should always aim higher and reach further. We should have a health care system where people get the care they need when they need it.

The Budget

Well over half of our population should have a post-secondary education. Our communities should be Canada's signatures to the world: attractive, inclusive, productive and secure.

We should have a society in which the disabled and disadvantaged people have as great an opportunity to fulfil their potential as anyone else.

[*Translation*]

We should have a society in which aboriginal people take their rightful place, with pride. These goals are within our grasp. A nation as great as ours should reach them. And in this budget we are striving to do so.

● (1700)

[*English*]

Throughout our history, Canadians have been animated by a simple idea: that we have a responsibility to make sure our children and our grandchildren lead better lives in a better land; that Canada is not simply a legacy to be inherited but an opportunity to be enlarged. And so it remains today.

This budget honours that responsibility by laying the foundation for a better future. It does so, not by trying to be all things to all people but by putting people at the heart of everything we do.

That is the path we choose. That is the journey that we begin today.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I would like to begin by recognizing the finance minister today on the presentation of his very first budget. He has done it with all the skill that he can muster, and I should say that the skill he has

demonstrated today is the skill of his profession, which is the legal profession. I understand that in the legal profession the rule is that when one has very little to say one should take a very long time to say it.

The government talks about an agenda of achievement, but I think what we see here are some recycled promises, some new promises of good financial management after 10 years of mismanagement. What we have here is a record of underachievement.

[*Translation*]

It does not matter what the Liberals promise, Canadians have lost all trust.

[*English*]

I will speak more about this tomorrow, but let me end today by moving:

That the debate be now adjourned.

(Motion agreed to)

[*Translation*]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I move:

That the House do now adjourn.

(Motion agreed to)

The Speaker: Pursuant to Standing Order 83(2), the motion is deemed adopted and the House stands adjourned until tomorrow at 2 p.m.

(The House adjourned at 5:05 p.m.)

CONTENTS

Tuesday, March 23, 2004

ROUTINE PROCEEDINGS

Order in Council Appointments	
Mr. Gallaway.....	1567
Committees of the House	
Procedure and House Affairs	
Mr. Adams	1567
Motion for concurrence	1567
(Motion agreed to)	1567
Petitions	
Marriage	
Mr. Peric	1567
Criminal Code	
Mr. Robinson.....	1567
Marriage	
Mr. Elley	1567
Library Book Rate	
Mr. Lunney.....	1567
Natural Health Products	
Mr. Lunney.....	1568
Marriage	
Mr. Cummins.....	1568
Agriculture	
Mr. Adams	1568
Questions on the Order Paper	
Mr. Gallaway.....	1568

GOVERNMENT ORDERS

Customs Tariff	
Bill C-21	1568
Motion for concurrence and second reading.....	1568
Mr. Paradis (for the Minister of Finance).....	1568
(Motion agreed to)	1568
Mr. Bélanger	1568
Mr. Paradis (for the Minister of Finance).....	1568
Third reading.....	1568
Mr. Blaikie	1570
Mr. Boudria	1570
Mr. Jaffer	1571
Mr. Loubier.....	1571
Mr. Drouin (Beauce)	1572
Mr. Jaffer	1572
Mr. Bailey	1575
Mr. Cummins.....	1576
Mr. Paquette.....	1576
Mr. Cummins.....	1579
Mr. Blaikie	1580
Mr. White (North Vancouver).....	1583
Mr. Rocheleau	1584
Mr. Peric	1584
Mr. Cummins.....	1584
Mr. White (North Vancouver).....	1586

Mr. Cullen.....	1586
Mr. Hilstrom.....	1587
Mr. Rocheleau.....	1587
Mr. White (North Vancouver).....	1589
Mr. White (North Vancouver).....	1590
Mr. Masse	1593
Mr. Cummins.....	1594
Mr. Bailey	1594
Mr. Elley	1595
Mr. White (North Vancouver).....	1595
Mr. Elley	1595

STATEMENTS BY MEMBERS

The Environment	
Mr. Caccia.....	1597
The Budget	
Mr. Burton.....	1597
The Environment	
Mr. Reed.....	1597
RAI International	
Ms. Bakopanos.....	1597
Government of Canada	
Mr. Moore.....	1598
Jewish Community	
Ms. Neville.....	1598
Epilepsy Awareness Month	
Mr. Ménard.....	1598
Refugees	
Mrs. Jennings.....	1598
Toronto Jewish Community	
Ms. Caplan	1599
Taiwan	
Mr. Duncan.....	1599
Taiwan	
Mr. Boudria	1599
Toronto Jewish Community	
Mr. Robinson.....	1599
Pay Equity	
Ms. Bourgeois.....	1599
Festival du film de l'Outaouais	
Mr. Proulx.....	1600
Youth Criminal Justice Act	
Mrs. Skelton.....	1600
Sara Corning	
Mr. Thibault.....	1600
Bell Island	
Mr. Doyle	1600

ORAL QUESTION PERIOD

Sponsorship Program

Mr. Harper	1600
Mr. Martin (LaSalle—Émard)	1601
Mr. Harper	1601
Mr. Martin (LaSalle—Émard)	1601
Mr. Harper	1601
Mr. Martin (LaSalle—Émard)	1601
Mr. MacKay	1601
Mr. Martin (LaSalle—Émard)	1601
Mr. MacKay	1601
Mr. Martin (LaSalle—Émard)	1601
Mr. Duceppe	1601
Mr. Bélanger	1601
Mr. Duceppe	1601
Mr. Bélanger	1602
Mr. Gauthier	1602
Mr. Pettigrew	1602
Mr. Gauthier	1602
Mr. Pettigrew	1602
Mr. Blaikie	1602
Mr. Bélanger	1602

Softwood Lumber

Mr. Blaikie	1602
Mr. Peterson	1602

Sponsorship Program

Mr. Moore	1602
Mr. Bélanger	1602
Mr. Moore	1603
Mr. Bélanger	1603
Mr. Rajotte	1603
Mr. Saada	1603
Mr. Rajotte	1603
Mr. Bélanger	1603

Foreign Affairs

Ms. Lalonde	1603
Mr. Martin (LaSalle—Émard)	1603
Ms. Lalonde	1603
Mr. Graham (Toronto Centre—Rosedale)	1603

Agriculture

Mr. Plamondon	1604
Mr. Speller	1604
Mr. Plamondon	1604
Mr. Speller	1604

Public Servants Disclosure Protection Act

Mr. Reynolds	1604
Mr. Coderre	1604
Mr. Reynolds	1604
Mr. Coderre	1604
Mr. Forseth	1604
Mr. Coderre	1604
Mr. Forseth	1605
Mr. Coderre	1605

St. Lawrence Seaway

Mr. Jobin	1605
-----------	------

Mr. Valeri	1605
------------	------

The Senate

Mr. Nystrom	1605
Mr. Martin (LaSalle—Émard)	1605

Border Crossings

Mr. Masse	1605
Ms. McLellan	1605

Foreign Affairs

Mr. Day	1606
Mr. Martin (LaSalle—Émard)	1606
Mr. Day	1606
Mr. Martin (LaSalle—Émard)	1606

Agriculture

Mrs. Gallant	1606
Mr. Graham (Toronto Centre—Rosedale)	1606
Mrs. Gallant	1606
Mr. Martin (LaSalle—Émard)	1606

Softwood Lumber

Mr. Bergeron	1606
Mr. Volpe	1606
Mr. Bergeron	1607
Mr. Peterson	1607

Fisheries and Oceans

Mr. Hearn	1607
Mr. Regan	1607
Mr. Hearn	1607
Mr. Regan	1607

Public Service

M. Bellemare	1607
Mr. Alcock	1607

Canadian Wheat Board

Mr. Breitkreuz	1607
Mr. Alcock	1607
Mr. Breitkreuz	1607
Mr. Alcock	1608

Royal Canadian Mounted Police

Mr. Loubier	1608
Ms. McLellan	1608

RAI International

Mr. Pacetti	1608
Ms. Scherrer	1608

Aboriginal Affairs

Mr. Pankiw	1608
Mr. Cotler	1608

Foreign Affairs

Ms. McDonough	1608
Mr. Graham (Toronto Centre—Rosedale)	1609

Sponsorship Program

Mr. Benoit	1609
Mr. Bélanger	1609

Gasoline Prices

Mr. Cardin	1609
------------	------

Mr. Efford (Bonavista—Trinity—Conception).....	1609
Presence in Gallery	
The Speaker.....	1609
Privilege	
Oral Question Period	
Mr. Pankiw.....	1609

GOVERNMENT ORDERS

Customs Tariff	
Bill C-21. Third reading.....	1610
Mr. Elley.....	1610
Mr. White (North Vancouver).....	1611
Mr. Cummins.....	1612
Mr. Hilstrom.....	1612
Mrs. Yelich.....	1614
Mr. Clark.....	1614

Mr. Calder.....	1614
(Motion agreed to, bill read the third time and passed) ..	1615
Suspension of Sitting	
(The sitting of the House was suspended at 3:54 p.m.) ..	1615
Sitting Resumed	
The House resumed at 4 p.m.....	1615

The Budget

Financial Statement of Minister of Finance	
Mr. Goodale.....	1615
Motion.....	1615
Mr. Harper.....	1622
Motion.....	1622
(Motion agreed to).....	1622
Mr. Saada.....	1622
Motion.....	1622
(Motion agreed to).....	1622

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