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# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Monday, September 26, 2005  
(Part A)**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, September 26, 2005

The House met at 11 a.m.

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*Prayers*

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• (1100)

[*Translation*]

## BUSINESS OF THE HOUSE

**Hon. Mauril Bélanger (Minister for Internal Trade, Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Associate Minister of National Defence, Lib.):** Mr. Speaker, let me wish you and all my hon. colleagues a good session.

Consultations have taken place with all the parties and, if you were to seek it, I believe that you would find unanimous consent for the following motion.

[*English*]

That on Tuesday, September 27, 2005, the hours of sitting and order of business shall be those of a Wednesday.

[*Translation*]

**The Speaker:** Does the hon. Deputy Leader of the Government in the House of Commons have the unanimous consent of the House to move this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

[*English*]

## VACANCY

SURREY NORTH

**The Speaker:** It is my duty to inform the House that a vacancy has occurred in the representation in the House of Commons for the electoral district of Surrey North in the province of British Columbia by reason of the death of our dear colleague, Mr. Chuck Cadman.

Pursuant to subsection 28(1) of the Parliament of Canada Act, I have addressed on Tuesday, July 19, 2005, a warrant to the Chief

Electoral Officer for the issue of a writ for the election of a member to fill the vacancy.

\* \* \*

[*Translation*]

## MESSAGE FROM THE SENATE

**The Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-37, an act to amend the Criminal Code and the Cultural Property Export and Import Act, and Bill S-38, an act respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries, to which the concurrence of this House is desired.

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## PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

## AGRICULTURE

**Mr. Leon Benoit (Vegreville—Wainwright, CPC)** moved:

That, in the opinion of the House, the government should make available directly to farmers the 2% strychnine solution.

He said: Mr. Speaker, it is encouraging that we start off this session of Parliament with an issue that is probably the most important issue we will deal with in this Parliament. The issue of controlling the Richardson's ground squirrel, which is commonly known as the gopher, is an important issue for some of my constituents and for many people in western Canada.

I have been pursuing this issue for many years. When I first brought it to the House many members laughed that such an issue would be brought before this place. The fact is that the Richardson's ground squirrel causes damage of up to \$200 million a year in western Canada. We do not know the exact cost but \$200 million is a rough estimate which seems to make sense when one considers the crop damage, the extra labour involved in trying to control the Richardson's ground squirrel with the limited and ineffective products that are available, the damage to equipment and machinery due to the holes and the mounds made by gophers, and the livestock that have to be put down because they broke their legs stepping into a gopher hole. In a bad year, \$200 million is certainly a realistic number and it shows the importance of this issue.

*Private Members' Business*

Two hundred million dollars is a cost that farmers simply cannot stand to bear on top of the other increased costs that they have felt over the past months and years. Along with skyrocketing costs, prices of their crops have been declining steadily. The price of wheat, barley, canola, peas and all commodities are as low as I have ever seen them in the time I have been farming.

At the same time, due to a move made by the government in 1993, carried out over the last few years, a move that removed the only effective control of the Richardson's ground squirrel, farmers have been forced to bear this extra cost of possibly \$200 million a year. That is a lot of money, and it is a serious problem.

I will just read my motion for the record. It is simple, direct and short.

That, in the opinion of the House, the government should make available directly to farmers the 2% strychnine solution.

I get a bit uncomfortable standing before the House knowing that Canadians are listening to us talk about using a poison to control gophers. Quite frankly, with the kind of damage that has been done, they have to be controlled in some fashion. The strychnine solution mixed by farmers themselves is the only effective product that could be made available. That is why it is important that we return this product to farmers.

Back in about 1997, I put forward two motions for the production of papers. The Department of Agriculture provided about 200 pages of information that was supposed to explain why it had removed this product from the market in the first place. Quite frankly, it was embarrassing and completely unacceptable. The reasons the government gave for removing this product were completely unconvincing, and that is putting it mildly.

There were a few complaints by a few animal rights people and a few complaints that non-targeted species had been poisoned, and particularly that the poison had been used illegally on neighbours' dogs and that type of thing. A lot of other substances could be used to poison a neighbour's dog if someone chose to do that. Since it is against the law to do that why do we not uphold the law instead of removing this product that is so important to farmers? That is the issue and that is the issue the government has not dealt with.

Just to show how unimportant agriculture is to the government I would like to point out that this issue is being spearheaded by the Minister of Health instead of the Minister of Agriculture. I understand that both departments are involved in making this decision but the Department of Agriculture has a lot more information on this product and on its importance than anyone else. It should have received the information from the Department of Health but there is not much there.

• (1110)

Last Thursday I received a backgrounder put out by the Department of Health on this product. Obviously my continual interventions on behalf of farmers are having an impact. What is in the backgrounder is embarrassing. No reasons were given for removing the product and no excuses for not returning it. The department acknowledges that it is the only truly effective product available to farmers but it makes two absolutely incorrect statements and one is false.

One statement is that there are two products available to farmers, one being a premix that is done by the municipalities. In fact, that has not been available over the past year.

The other statement is that there is a premix that is done in the Toronto area which is then shipped out west. This product is simply mixed with farmers' grain and then shipped back. It is extremely expensive. The department says that it is an effective product for control. If one were to talk to my neighbours and people across the Prairies they would hear that it is not effective. that it is extremely expensive and that it is impractical.

All farmers are asking for is to have this 2% strychnine solution returned to them so they can mix it with their own grain and effectively control this terrible pest that costs up to \$200 million or more in a bad year. It should not be that difficult for the government to deliver on this. I certainly hope the government will be supporting the motion as we go along in the process to adopt the motion.

If the motion is passed, the issue will be given to the appropriate committee which I assume will be the agriculture committee as it is the committee that makes sense. It would deal with it, put legislation together and then have the legislation once again come before House and hopefully passed by the House. The farmers would then have this product returned to them, a product that would safely control the Richardson's ground squirrel, commonly called the gopher.

What has happened with this product simply demonstrates what happens all too often with this government. I hate to step in here right away sounding so critical of the government. I will acknowledge that over the past 100 years Liberal governments have provided some good government from time to time. They have not always provided bad government but unfortunately they have not provided good government over the past 12 years.

In its 12 year mandate the government has too often used the same knee-jerk type of reaction that it has used in the strychnine problem. This demonstrates part of the problem with the government. It simply made a decision based on input from fewer than a dozen people, according to the papers which I received under production of papers, who had complained about this product. It did no evaluation of the cost to farmers which is why I cannot give a definite number on the costs to farmers in terms of damage to crops, machinery damage, livestock having to be destroyed and that type of thing. A study has never been done. This demonstrates how the government operates. It cares so little for farmers that it has the health minister handling the issue instead of the agriculture minister and the agriculture department. I think I know the reason for that.

I would be willing to bet that if the agriculture department had put together this background information that was sent out last Thursday it would have come out supporting this motion. The government simply cannot admit that it has made a mistake so it made sure it went to the health department which knows nothing about the issue and does not really care about the issue. As a result it probably will not support the motion, although I sincerely hope this time it will do the right thing.

The government should keep in mind that a possible election will be called sometime over the next year if the Prime Minister honours his promise to call an election within a month of the Gomery report coming out. That is the only thing that seems to really cause the government to change its mind or at least to make statements on issues.

● (1115)

Unfortunately, so often those statements are not followed up on, but at least the government will make statements during the pre-election period that it otherwise would not. I am hoping that one of those statements will be that the government will return this product to the hands of farmers.

What I want to do now is tell farmers that they now have a chance to have some input on this issue. I will read for the House a small section of a backgrounder from the Health Department. It states, "Health Canada's Pest Management Regulatory Agency has re-evaluated the available data on strychnine and is inviting comment on the proposals for its continuing use".

First of all, if the agency has re-evaluated the available data, I want to see that data. I ask the health minister to table that data with the House. If the agency has done an evaluation and a study it only makes sense that the information should be provided to the House and to farmers across the country.

I will continue with the rest of the agency statement. The agency "is inviting comment on the proposals for its continuing use. The comment period begins on September 26, 2005, for a period of 60 days". Of course it is the wrong time of the year because harvest will be going on during October and probably still in early November this year, but the government has finally provided an opportunity for farmers to have direct input on this issue.

I encourage farmers right across western Canada in areas affected by this terrible plague of Richardson's ground squirrels, gophers, to write to the health minister and the agriculture minister and send copies to their local MPs. A copy to me would be wonderful, as I have been trying for years on their behalf to have this product returned. I encourage farmers to write in with their explanation of why this product is desperately needed. I encourage them to take part and to make sure they do it before the deadline of November 25 or 26.

I will be contacting farmers further on this issue to try to give them the information necessary for them to have input on returning this 2% strychnine solution so they can mix on their own, but I do want to read out for the record the agency address. It is: Pest Management Regulatory Agency, 2720 Riverside Drive, Ottawa, Ontario, K1A 0K9. The number A.L.6606D2 should be put on the letter as a reference number so the people receiving the letter will be able to ensure that the proposals make it directly to the appropriate people.

I strongly encourage farmers not only in my constituency but across western Canada to provide their input now. This will probably be their only chance and it has been a long time in coming. It has been much too slow.

It is interesting that the government has removed this product from the hands of farmers and yet it has given on at least three or

#### *Private Members' Business*

four occasions now a special emergency registration for the product. Unfortunately, it has not been done in a fashion that is extremely helpful in that it requires someone else to pre-mix this product for them. Anyone who has used this product knows that if the liquid strychnine is mixed ahead of time with the grain used as bait, the bait will not work. Gophers do not find it appealing and just will not eat it and, as a result, the control measure does not work.

Since the government has reinstated this emergency registration, why does it not do the right thing now and restore to farmers the 2% solution of strychnine? It was used effectively and safely for decades, for most of this past century, in fact. Problems were very rare. Occasionally the product was used illegally to poison neighbours' dogs and other things like that, but any other product could be used for that too. We should deal with that under the law and come down hard on people who use it illegally because that is not acceptable.

Why should our farmers not have this product which is so valuable to them, is very much needed and may save a cost of \$200 million a year? Why should it be removed because of the actions of a very few people over the years? It should not. I encourage the government to do the right thing and return the 2% solution of strychnine to farmers to help save up to \$200 million a year.

● (1120)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I thank the member for raising this issue. It is certainly an important issue for our farmers, who need all the support that they can get given the recent history of the agricultural community.

The research also shows, as a result of a single test case in Saskatchewan, that seven to twelve million lethal doses of the strychnine were available for birds and mammals to eat, not just gophers. In addition, it was found that the carcasses of these birds and mammals were available to their own predators. These animals also died through eating the poison carcasses. It is estimated that in a single season of strychnine use in Saskatchewan some 6,000 strychnine-poisoned carcasses were available to predators.

With that as a starting point, I note that the motion calls for the 2% solution of fresh bait formulations, yet the government allows producers access to a ready-to-use concentrate of 0.4% strychnine baits, which are commercially available. These are as effective as the 2% strychnine concentrate and are safer to use. The governments of Alberta and Saskatchewan are supportive of these commercially available fresh strychnine products.

That is the research. It does show that there is a concern about other birds and mammals and there is also the assertion, agreed with by Alberta and Saskatchewan, that the 0.4% solution is as effective as the 2%. I wonder if the member would care to comment.

**Mr. Leon Benoit:** Mr. Speaker, I think the member is unfortunately a victim of misinformation sent out by the health department. The 0.4% solution simply is not effective. Farmers know that. They have tried it. They have used it for the past several years. As well, it is premixed in Toronto so it is dry by the time it gets to the farmers and the gophers are not very interested in it.

*Private Members' Business*

Besides that, it has to be received at just the right time. There is a very narrow window in which gophers will eat this bait and it is effective at controlling them. It has to be received within a few days, in the early spring before the grass starts growing, because gophers will eat grass rather than the bait if it is not received at the right time.

So first of all, it is not effective, and second, anyone who has used this product knows that if the 2% solution is used instead of the 0.4%, which is not effective, gophers will normally find their way back down the hole and in fact their carcasses will not be available. Also, if bait stations are used, gophers will die within the bait stations and their carcasses will not be available.

As well, birds of prey will not eat a carcass. What they eat has to be moving or they simply will not eat it. If they do, can they eat enough to cause damage? Although I will admit it is not a real study that has been done, the resulting information seems to show that they simply could not eat enough to do damage and to kill them. Throughout all these decades in which farmers were using this 2% and even 5% solution of strychnine, the number of birds of prey in the country was continually increasing.

The problem outlined by the member is a problem which I think is only in the minds of those at Health Canada, unfortunately. If they had taken the time to really communicate with Agriculture Canada in an honest way and to communicate with the agriculture departments in the provinces, I think they would have found, in fact, that this is simply not the case. I am glad the member brought it up, but it is not a real problem. It is a perceived problem.

• (1125)

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, I have a quick question for the member. I know his riding is similar to mine in many respects. I have travelled through the riding over the last two or three years. I have seen with my own eyes the devastation that gophers can cause to the crop of a farmer. I do not believe that members who do not support this idea of bringing the gopher population under control really understand the seriousness of the problem.

I doubt if the Liberal member who just spoke has ever walked through a grain field where gopher damage has occurred, but I would like to invite him out some time. I would take him through a trail, but he would probably fall in one because he would not know what he is looking at.

These people do not seem to understand the seriousness of this, so I would like the member to emphasize it just one more time. I know he sees it in his riding. I have seen it in mine. Farmers really hurt from these predators and we need to take it seriously and take it seriously now. Does the member believe the government is willing to support the seriousness of this problem, willing enough to do something about it?

**Mr. Leon Benoit:** Mr. Speaker, I certainly would not have brought this issue before Parliament the number of times I have over the past nine years, or over whatever number of years I have been pursuing it, if it were not a problem that is extremely important to the people of western Canada and to my constituents.

It is an important problem, as anyone who has seen a field would know. On my own farm, I had about 60 acres of canola completely

wiped out one year. That was 60 acres in an exceptional year when there was actually some money in canola and it was worth about \$350 an acre.

That is the kind of hit farmers simply cannot afford to take. If we multiply that by tens of thousands of farmers, in a bad year it is probably well beyond the \$200 million figure, although I cannot vouch for the complete accuracy of that figure. It is our best estimate. Nobody has done the study to determine it.

[*Translation*]

**Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.):** Mr. Speaker, I want to take this opportunity to welcome you and all hon. members back to Parliament.

[*English*]

I thank the member for Vegreville—Wainwright for bringing this forward.

I listened to the member for Wild Rose, who questioned whether government cares about this or understands the plight of farmers and the difficulty with the Richardson's ground squirrel. There is no doubt everybody understands that. Everybody wants to find a solution. The member for Vegreville—Wainwright proposes a 2% solution of strychnine. The government is working with the provincial government and the industry to find a 100% solution to this problem.

The member has requested that the government make available directly to farmers a 2% liquid concentrate of the pest control product strychnine, which farmers would mix with seed to produce a strychnine bait to control ground squirrels. The end result would be a bait containing approximately 0.4% strychnine.

However, ready-to-use 0.4% strychnine baits, which are effective and safer to use, are already available to Canadian farmers for that very purpose. In fact, since 2005, fresh, ready-to-use 0.4% strychnine bait products have also been commercially available in Canada. These recent registrations now provide farmers with the means by which they can readily access moist strychnine baits, comparable in freshness to bait mixed directly from concentrate.

[*Translation*]

The hon. member's motion relates to restrictions put in place in 1992 by Agriculture Canada, then Canada's regulatory body for pesticides. The restrictions limited the availability of strychnine products for ground squirrel control to ready-to-use bait formulations limited at up to 0.4% strychnine.

The ready-to-use baits provided for concentrations of strychnine that were very similar to, or sometimes even greater than, those found before 1993, in baits prepared by mixing the concentrated 2% strychnine solution with farm-available grain. Furthermore, the ready-to-use products were, and are still considered to be, safer to use.

*Private Members' Business*

• (1130)

[English]

I would like to remind the hon. member that the government moved to restrict the availability of strychnine liquid concentrate only to protect Canadians' health and safety and their environment from possible serious adverse effects of this dangerous poison. Strychnine has a very high level of acute toxicity and has been and continues to be implicated in poisonings of non-target animals, including dogs and wildlife.

Canada is not alone in having taken action on strychnine. All above ground use of strychnine has been prohibited in the United States since 1988. Furthermore, it is illegal to use strychnine for pest control in most European countries and it is prohibited by the Bern convention on the conservation of European wildlife and natural habitats.

The Richardson's ground squirrel has been considered to be the major mammalian pest impacting croplands, pastures and rangelands in western Canada over the past several decades, for which the control option of choice has remained strychnine treated food baits.

[Translation]

In the years following the restriction of strychnine products in 1992, issues were raised regarding the effectiveness of the ready-to-use strychnine baits for ground squirrel control. The government acted swiftly and responsibly to address farmers' concerns.

For several years from 1997 onward, Health Canada conducted an extensive analysis of the ready-to-use products marketed at that time to confirm that they met the level of strychnine guaranteed on the product label by the manufacturer, and as required by Health Canada, that is, 0.4% strychnine.

[English]

During the years 2001, 2002 and 2003, as was mentioned by the member from Vegreville—Wainwright, because provincial authorities were concerned with severe ground squirrel infestation in certain areas of Saskatchewan and Alberta, they requested and received emergency registrations of a concentrated 2% strychnine product to allow for the preparation of freshly baited 0.4% strychnine bait.

This emergency registration program allowed the provinces of Alberta and Saskatchewan, under very strict provisions, to freshly prepare and distribute moist strychnine bait formulated from 2% liquid strychnine concentrate, providing farmers in those provinces with access to fresh bait for on farm use to control Richardson's ground squirrel.

These freshly prepared baits, which have been demonstrated to be more acceptable to ground squirrels, resulted in enhanced control.

I want to be perfectly clear that the recently registered fresh, ready to use 0.4% strychnine bait products provide farmers with the same type of product at the same concentration of strychnine that was used under the emergency registration programs of 2001, 2002 and 2003.

However, Health Canada has not restricted its involvement in the ground squirrel control program to pesticide issues. Risk reduction plays an important role in modern pesticide regulation and while the

restriction of the use of certain pesticides is a means toward that end, so is the development of integrated pest management strategies to research alternative methods of control.

To that end, Health Canada's Pest Management Regulatory Agency has been facilitating an integrated pest management program in conjunction with the western provinces to address ground squirrel infestations.

Parties participating in the integrated pest management program include representatives from all levels of government, non-government organizations and the pesticide industry. This is the 100% solution.

Part of the objective of this program is to provide the use of alternatives to strychnine, including non-chemical methods of control, and the use of registered pest control products containing active ingredients other than strychnine.

Although in its early stages, the integrated pest management group has already presented preliminary research findings to Health Canada, which could eventually result in improved label directions that would increase pest control product efficiency without incurring additional environmental effects.

Another major activity in which Health Canada has been involved is the re-evaluation of strychnine, as was mentioned by the member. This falls under Health Canada's pesticide re-evaluation program, which is designed to ensure that the continuing acceptability of all pesticides registered in Canada before 1995 is examined using current scientific approaches.

Health Canada has released its findings on the strychnine re-evaluation and has invited comments from interested parties before finalizing its decision. I would join the member in inviting all concerned to participate in those discussions.

In closing, I want to assure the hon. member for Vegreville—Wainwright that Canadian farmers do have access to strychnine products that are equivalent to those shown to be effective under severe ground squirrel infestations.

Health Canada has and will continue to listen to, and act on the concerns of farmers. Health Canada will continue to explore Richardson's ground squirrel control strategies through an integrated pest management program, so that Canadian farmers will not be left without the tools they need to pursue their livelihood in a safe and practical manner.

• (1135)

**Mr. Leon Benoit:** Mr. Speaker, I rise on a point of order. I would ask for unanimous consent to have a question period with the Parliamentary Secretary to the Minister of Health who has just spoken. Some of the information I heard requires a follow-up with questions.

**The Acting Speaker (Mr. Marcel Proulx):** Does the hon. member have unanimous consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

*Private Members' Business*

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, it is my pleasure to open this new session on behalf of my party, the Bloc Québécois, especially since I have been appointed the Bloc Québécois critic for agriculture and agri-food.

I want to emphasize the work done by my predecessors in this position, who have done an outstanding job, and particularly the hon. member for Châteauguay—Saint-Constant for standing up for Quebec farm producers. I am convinced that we will be building on all the work that has been done so far. Farm producers in Quebec can be sure that I will always stand steadfastly behind them in their battles.

I am pleased to take part in this debate on Motion No. 253 put forward by the hon. member for Vegreville—Wainwright. I know that he has been fighting for this for a number of years. I certainly understand where he is coming from.

I shall not list every name these creatures go by, because there are many. Suffice it to say that these are rodents that can cause various kinds of damage, which the hon. member estimated at \$200 million. Millions of dollars in damage has indeed been caused to crops, in Alberta and Saskatchewan in particular.

These rodents would be harmless if there were not so many of them. Wherever they proliferate, there are serious problems. The member who introduced the motion said this earlier. I clearly understand his reasons in this regard.

We know that these rodents eat any vegetation they find underground. For example, they destroy fruit trees, tubers, and garden bulbs. Furthermore, when these rodents dig holes, they damage machinery. In digging, they create small mounds of earth and damage can occur when machinery travels over these mounds.

These animals also dig burrows in dikes, and this is dangerous for flood-containment structures. All of this to say that even such a small animal can cause major damage.

So I understand the battle the member has been waging since the most effective product to date, 2% liquid strychnine, was banned in Canada. In passing, this product has also been banned in the United States and a number of European countries. The latter concluded that the danger within their jurisdiction was too great to permit the use of this product. Canada reached this same conclusion several years ago.

Why has this specific product been banned? It is highly toxic to animals, as well as to humans. Fans of detective novels will recall that it was often referred to by Agatha Christie as a poison used to eliminate one's enemies. In fact, it is extremely toxic to humans.

In fact, 2% strychnine concentrate is an acute and dangerous poison. It causes death in humans, as I said. Allowing free access to this product would be irresponsible, given its level of toxicity and possible use by criminals. Obviously, I am not talking here about farmers, but about people who might decide to use it to commit some type of crime.

There are alternative products. We also heard about them during the first two speeches. Since banning strychnine, the government, in collaboration with producers and the governments of Alberta and

Saskatchewan, has tried to develop a pest control strategy with regard to this rodent, also known as Richardson's ground squirrel.

These governments currently support the marketing of fresh baits made from strychnine but mixed to 0.4%. Admittedly, this mix is less effective than the 2% concentrate. That goes without saying.

It is important to conduct studies on alternative products. The Pest Management Regulatory Agency, or PMRA, has re-evaluated the available data on strychnine and is consulting stakeholders on its use as we speak.

This was mentioned earlier. I have here a document called "Re-evaluation of Strychnine, Proposed Acceptability for Continuing Registration". It includes information on participating in this 60-day consultation for anyone who so desires. I invite all interested farmers and stakeholders to take part in this consultation, which is another step toward finding a lasting and tangible solution.

● (1140)

As I was saying, it starts today and will last two months. I hope a solution will be found that satisfies farmers and does not put public health at risk.

Health Canada, through PMRA, must ensure that pesticides do not pose any unacceptable risks to humans, other animals or the environment. However, farmers cannot simply be left to deal with this scourge on their own. In the summer of 2001, problems caused by ground squirrels in some areas of Alberta and Saskatchewan were so bad that the governments of those provinces asked for and received permission from PMRA to use 2% strychnine solution again.

This permission was granted for that season only since there was a truly terrible proliferation of rodents. The agency was quite careful about the availability and use of the product and that is where there is a problem with the hon. member's motion. He is asking only that the product be put back on the market as it was before without any restriction. Therein lies the risk.

In 2001, only agricultural officers in Alberta and pest control specialists in Saskatchewan were allowed to distribute the product. It was therefore highly and very stringently regulated. Producers and farmers were, however, able to use the product which is, as I have said, the most effective one we have at this time to control the spread of rodents and the serious damage they cause. Things would have been worse if the old product had been used.

At this point in time, the government must again authorize the use of the product, but within very stringent standards. It must allow an exception of this kind every time the situation gets out of control, until such time as effective alternative solutions are found.

*Private Members' Business*

We cannot, however, be in favour of the hon. member's motion as presented for the reasons I have just given. The motion is too broad and lacks any framework or directive on specific use for the eradication of rodents, for example the amount allowed for baiting traps or whether it is to be used underground only.

As we know, above ground use of a 2% solution was allowed for 20 years, from 1968 to 1988. People then came to realize that birds could eat it and die from it. When the decision for underground use was made, that was already less dangerous, but the intent is still to limit widespread distribution of this product.

We cannot vote in favour of this motion, but we do call upon the government to complete its consultations and studies as promptly as possible so that producers will at last have access to an effective solution that will also protect health and the environment.

I hope as many people as possible will take part in the PMRA reassessment of this product. I hope it will not take years for producers coping with this problem to be able to obtain a product that is as safe as possible for human health—although it is of course still a poison—while still allowing them to halt the spread of these very destructive rodents.

• (1145)

[English]

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I am very pleased to rise in this place at the first moment we are back to do the business of Canadians. Mr. Speaker, I want to wish you well in your duties of presiding over the House. I hope that you enjoyed a productive summer and had some rest and relaxation over the past little while. Now we are here to get the work of Canadians done. We are here to get right down to business, to talk about pressing issues for all Canadians.

Obviously, Mr. Speaker, you will know that there are all kinds of issues we need to talk about that are not on the government's agenda. We have to talk about the question of the CBC and the lockout that is approaching its eighth week. We have to talk about softwood lumber and the failure of the government to respond to the United States. We have to talk about the situation facing farmers. We have to talk about the privatization of health care. I look forward to a session that will deal with all of those issues that threaten the very survival of the country as we know it.

Now I will focus on the private member's motion by the member for Vegreville—Wainwright. The motion deals with a nuisance problem in our farming communities, that being the presence of gophers, or as we call them in Manitoba, the prairie dog. That animal is actually part of our heritage and part of our natural environment. Certainly it is one which we celebrate in terms of our history and prairie culture. I do acknowledge, as the member who brought forward the motion said, that there is a problem in the overpopulation of gophers. It is to the point where farmers are faced with some real difficulties and very serious challenges.

I do agree with the spirit of the member's motion which is that we ought to do something finally about the problem in a real and an environmentally sensitive way. That is where I believe we part company. The member is suggesting that we actually increase the

strength of the strychnine solution as a way to rid our farmlands of this rodent, the Richardson's ground squirrel and/or pocket gopher.

The real debate today is what can be done about the problem in a way that is environmentally safe and is not a threat to Canadians' health and well-being while still being responsible to the farmers who have a serious problem. I suggest to the member that we should put our efforts into holding the government to account for doing nothing in the last 10 years when this problem became so apparent. The onus ought to be on the government not to simply stand in this place through a private member and suggest that there is something wrong with the member's motion without providing an alternative solution to a problem that has been identified for over a decade.

I want in particular to refer to the debate we had in the House way back in 2001 on the very same topic. The very same issues were raised and the same solution was provided. In that space of four years there has been ample time for the government to come forward with a plan to deal with the problem. Have we heard anything? Has there been any conscious effort by the government to deal with this issue sensibly and with sensitivity to the environment, with concern for Canadians' health and well-being? Unfortunately the answer is no. There has been nothing from the government. We are left once again debating a proposition that is not acceptable to anyone. It is not acceptable to farmers, not acceptable to the environment and not acceptable to Canadians who are worried about their health.

• (1150)

It is not acceptable because we are talking about a very serious, dangerous pesticide. We are talking about something that is deadly. We are talking about a substance that has been used in the past for suicides and for killing neighbourhood dogs.

The member for Vegreville mentioned this and acknowledged the problems and said that there were ways to get around them. I do not think anyone in the House or Canadians understand how we could get around that kind of problem. This substance gets into the grains, the ground and our environment. It is very hard to prevent it from coming into contact with other animals and human beings.

Indiscriminate use can result in wildlife deaths, including that of raptors, the main natural predator of ground squirrels and gophers. It is a time sensitive, labour intensive solution. It is only effective in early spring before weeds sprout. Once it is used, the area must be monitored daily for carcasses which then must be buried to prevent accidental poisoning. Needless to say, this is not a solution. We have to defeat it. We must put the onus back on the government to come up with a solution that works.

I want to refer to some comments made by my colleague, Dick Proctor, back in 2001 when this matter was last debated in the House. Dick Proctor was the member for Palliser, a fine member of the House. He was a member who was devoted to working on behalf of farmers and doing what was in the best interests of his constituents. He spoke out repeatedly on behalf of the public interest and public policies that served the public good. He said:

*Private Members' Business*

We too have some environmental concerns that were indicated by the government spokesperson. We are concerned about what has happened to the population of swift foxes and bald eagles over the past decade as well as burrowing owls which are very important in the Moose Jaw area. There was a story in the local newspaper within the last month about how the number of pairs of burrowing owls had declined rapidly in recent years. Dog poisonings have also been mentioned. In the volume of work in this area a couple of suicides were reported. All of these seem to be impacted by the use of strychnine.

Those comments were made by someone, a former member who served with integrity, a hardworking individual who was in contact with his community and the farmers, who knew the impact of the use of strychnine on the environment. His comments must be taken seriously.

My good friend Dick Proctor also went on to chastise the government for not doing its part:

I remind members, in the words of David Suzuki, that the human race is the most predatory animal in the history of the world. We have a phobia about eliminating anything and everything that gets in our way. Some day that is going to come back and cost us in a very large way.

This is a problem and I do not want to minimize it, but I think we need to and should look at alternatives. The issue has been around for 10 years. The government has absolutely failed to develop alternatives that would work as a replacement for liquid strychnine.

Some reports suggest that the 0.4% solution is effective. This might have been mentioned by some of my colleagues that it should on its own be offered as the solution. The fact that we are having the debate today and the fact that members who represent rural constituencies and farmers across the country from the prairies, tell us that there is a problem, that the 0.4% solution has not worked. In this debate we have to say the government solution is not an answer. To fall back on the 0.4% strength of strychnine is not a solution. There have to be alternatives.

The Conservative opposition's idea of increasing levels, of strengthening the potency of this poisonous and terrible pesticide is not the solution.

We are left with trying to find the appropriate solution. We have to defeat this motion and convince the government to come back to the House with a positive alternative.

• (1155)

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Mr. Speaker, it is a pleasure to rise on the first day back after a summer recess to address an issue that a lot of people think should not be in the top 10 issues in the House. It certainly speaks to the fact that, as the NDP member just said, the Liberal government has basically stood aside and done nothing for the last 12 years that this has been an issue. That raises the point we need to get to.

Let us bring a bit of reality into the debate. We heard from members of the other three parties, with the exception of my colleague from Vegreville—Wainwright who has taken a third crack at this issue and I welcome his intervention on that. It is a huge issue in his riding and mine, which parallel each other in western Canada. It is becoming worse because of the government inaction on this file. It is another strike against agriculture.

The magic coefficient that permeates all of this is a little agency under Health Canada that reports to Agriculture Canada but basically does nothing for either one, called the Pest Management Regulatory Agency. When people from that agency come before our

committees, they tap dance, shift aside and blame somebody else; it is never their fault. But it is their lack of attention to files such as these that this issue has been dragging on for 12 years and there is nothing to take the place of strychnine. That is why we are asking for strychnine to be reinstated at this point until that agency does find something that is as effective and as accessible as that should be.

The cause and effect is the Liberal government and its PMRA that it does not keep to task. It has been before the agriculture committee a number of times and I have walked away shaking my head. There are so many issues it needs to be tuned into, to be interventionist on and it is not. That agency basically is not doing its job and is not earning its pay at this point, in my estimation.

Several other issues fall under the purview of the PMRA. One is generic glyphosate along with the strychnine. Another one is ivermectin which agricultural producers are running across the border to pick up. They are going to be penalized for doing that. They will not be allowed to do that even under the own use certificate that the government has allowed the PMRA to piecemeal out some solutions.

There is a general malaise in that agency. It needs a good boot to get it up and running. It is not a budgetary problem; it is a science problem. It seems to ignore or skirt around the sound science that attaches itself to all of these different issues.

A case in point, today it was talking about the re-evaluation of strychnine. The PMRA is doing another study which is in the comment period. If the agency really wants to get comments that are pertinent, it should go outside the Ottawa bubble and talk to the actual end users, the farmers and ranchers who have been using this product for years. There has not been a significant problem. There has been some criminality, but that is under a whole other cause. That is under criminal use and criminal intent. Those people need to be punished to the full extent of the law, and rightly so.

The ordinary farmers and producers have a twofold problem with the way they are allowed to go after the Richardson's ground squirrel. They like to use that fancy name because everybody gets this warm, fuzzy idea of a squirrel, that they are cute and cuddly. Let us not forget that these are rodents. These are closer to the rat family. They burrow in the ground, chew up vegetation and create a tremendous amount of havoc in farming country. The number of \$200 million annually in losses and costs has been tossed around. That is probably a very conservative number. We could probably multiply that by three or four times.

It is compounding now in that we have had a couple of years of drought. We are back into rain this year, more than we need. We have some major concerns with not being able to use best farming practices that the government insists we use and not having access in this case to the chemicals and poisons that we need.

*Government Orders*

The parliamentary secretary to the agriculture minister said that even the U.S. has banned above ground use of strychnine. That is fine. We do not use it above ground. The bait goes in the hole, underground. It is not accessible to any other animals unless there is criminal intent and someone wants to poison the neighbour's dog or bait a deer to get coyotes and so on, and that is a no-no. That is already listed in the Criminal Code. Let us not confuse the two. Let us not use that as an issue to keep the strychnine away from farmers.

The issue is a matter of concentration of the poison, freshness and the timeliness in being able to use it. Right now we have it under special permit. People have to run to their municipal offices, on certain days only, when it will be mixed for them. They have to bring in their bait, barley, grain or whatever is going to be used, and it is mixed. Then they rush home and bait the holes. The problem is it takes time to do that. A lot of farmers get up early in the morning to do it, or do it when the machinery breaks down, or on a rainy day, or something like that.

• (1200)

That compounds the problem with timeliness when they have to drive to the municipal office, which in many cases could be 40 or 50 kilometres away. They have to stand in line to get the bait mixed because everyone else has to go on the same day. Then when they get home, they want to bait those holes as quickly as they can with the fresh baited poison.

Therefore, the problem with having it mixed in Toronto is the freight problem. The type of bait that is used is usually screenings and gophers will not go for that. They have a persnickety pallet. They have a choice of hundreds of acres of fresh green stuff or stale old bread. Gophers are connoisseurs. They will get into the fresh grass and gorge themselves. We must have freshness, timeliness and the concentration of the bait. Those are the three things that need to be addressed by the PMRA and its Liberal taskmasters who sit on the other side of the House.

None of the other parties seem to want to step up and say that we have to maintain what we have under best farming practices until or if and when the government does come up with something newer. It has not. There is all this talk about two other products out there but no one has access to them. Again the timeliness, the freshness and availability are the major concerns with this problem.

One adult gopher can dig 50 holes in a season. Those are a lot of holes that cattle and horses step in. It makes a tremendous mess, plus the damage it does to the surrounding green space. There are a billion and a half acres under attack annually by pocket gophers, half of it in green space and the other half in pasture land. That is a tremendous amount of forage and fodder that goes to waste and does not go into the food supply. Canadians demand a fresh, secure and sustainable food supply and it is all borne on the backs of producers. A billion and half acres are under attack and an increasing livestock herd, almost 20% higher than normal, has to be sustained on fewer acres because of the gopher problem. The government has been complaisant for the last 12 years and complicit in the PMRA not getting the job done. We have a major a problem.

We have people going out and shooting gophers. On a corner section of land of 160 acres in my riding one can go out and shoot 2,000 gophers in an afternoon and not get anywhere near all of them.

It is that type of problem we are seeing. Gophers multiply like rats. They have a couple of births a year. The ones born in the spring are having young ones by the fall.

It is a galloping problem. The government has to address the problem, not talk about studies again. The member for Mississauga South talked about not doing this because it was against something. If one gopher on his front lawn chewed 50 holes in a season, he would probably be a little more concerned. That is the type of infestation we have in western Canada.

There was much talk about the 0.4% being adequate. If we talk by strength, it is not. If we talk by volume, and the Liberals hide behind the fact that when it is mixed it amounts to 0.4%, years ago the ideal was 5%. We did not have huge problems at that time. We did not have any problems with 2%. There are no sound scientific studies done. It is all guesswork and knee-jerk environmental reactions. We need to be cognizant of the fact that there could be and may be some damage, but we have to control that. There are many other issues that we need to control as well and we see study after study but no movement on that.

Saskatchewan has a real problem since the federal government has curtailed a wildlife damage compensation under crop insurance. The member for Vegreville—Wainwright talked about 60 acres of canola at \$350 to \$400 an acre gone missing. It is not even covered any more. If we complain about the problem, we are told there will be a strychnine shipment coming in three months. That is not adequate.

This is a timely bill with the study going on in PMRA and the comment period. The third time will be the charm. Farmers and ranchers, especially in western Canada, are looking for this type of leadership on these issues. We are happy to bring that for them. A new Conservative government would make sure that issues such as these would be addressed and that the PMRA would get back to doing the job it should be doing.

• (1205)

**The Acting Speaker (Mr. Marcel Proulx):** The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

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## GOVERNMENT ORDERS

[English]

### CRIMINAL CODE

**Hon. Raymond Chan (for the Minister of Justice)** moved that Bill C-49, An Act to amend the Criminal Code (trafficking in persons), be read the second time and referred to a committee.

*Government Orders*

**Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, it is a pleasure to be here at the opening of this session of Parliament to participate in the debate on Bill C-49, an act to amend the Criminal Code, trafficking in persons.

[*Translation*]

Trafficking in persons is sometimes described as the new global slave trade—no country has been left untouched by this terrible scourge. In a recently released report, May 11, 2005, by the International Labour Organization, it is estimated that the total number of people who are in situations of forced labour as a result of human trafficking is at least 2.45 million people around the world.

Who are the primary victims? Women and children. UNICEF estimates that 1.2 million children are trafficked around the world each year.

[*English*]

When we hear numbers like this we get a better appreciation of both the magnitude and urgency of strengthening domestic and international measures to combat human trafficking. We must ensure that we have the best response possible to a crime that is such a horrible violation of human rights, a crime that disproportionately impacts the most vulnerable in our society.

Bill C-49 does that. It is undoubtedly an important step toward strengthening our ability to protect the vulnerable, an ongoing priority for the government, and it reflects the government's commitment to ensure that Canada's legal framework clearly recognizes and strongly denounces and deters human trafficking.

[*Translation*]

It does this by proposing the creation of three new indictable offences to better address human trafficking—in whatever form it may manifest itself. The main offence of “trafficking in persons” would prohibit anyone from engaging in specified acts, such as recruiting, transporting, harbouring or controlling the movements of another person for the purpose of exploiting or facilitating the exploitation of that person. This offence is punishable by up to life imprisonment reflecting its severity and its harmful consequences to its victims and Canadian society.

Second, Bill C-49 proposes to deter those who seek to profit from the exploitation of others by making it an offence to receive a financial or material benefit knowing that it results from the trafficking of persons. This offence is punishable by up to 10 years' imprisonment.

Third, Bill C-49 proposes to prohibit the withholding or destroying of travel or identity documents in order to commit or facilitate the trafficking of persons. This offence is punishable by a maximum of five years' imprisonment.

● (1210)

[*English*]

Human trafficking is all about the exploitation of its victims. The very thought of being denied one's right to life, liberty and security of the person and to being treated as a commodity to be bought, sold

and used for whatever purpose is unimaginable and yet it is the reality for so many.

Bill C-49 recognizes this exploitation in a very real and concrete way and would make exploitation a key element of the offence. As defined by Bill C-49, exploitation means causing people to provide labour or services, such as sexual services, by engaging in conduct that could reasonably be expected to cause those people to fear for their safety or that of someone known to them. It also could mean removing a human organ or tissue from victims through the use of force or deception.

Bill C-49 would strengthen Canada's legal framework by building upon the existing domestic and international responses to human trafficking.

There are many international instruments that address human trafficking, but the most recent one is the United Nations Convention Against Transnational Organized Crime and its supplemental protocol to prevent, suppress and punish trafficking in persons, especially woman and children, which offers a widely accepted international framework for addressing the issue. Bill C-49 more clearly reflects this framework. In keeping with this framework, Canada's approach, as reflected in Bill C-49, focuses on the prevention of trafficking and the protection of its victims and the prosecution of the offenders.

The proposed reforms in Bill C-49 send a very clear message to those who seek to exploit the most vulnerable members of society through this form of criminal conduct will be brought to justice.

Bill C-49 would strengthen our current responses to trafficking by building upon existing provisions of the Criminal Code that address trafficking related conduct and would complement the provisions in the Immigration and Refugee Protection Act that seek to safeguard Canada's border against human trafficking and human smuggling. The new criminal offences proposed by Bill C-49, together with the existing legal framework, will provide criminal justice personnel with a significantly enhanced ability to ensure that the offence charged is the one that best responds to the facts of the specific trafficking case.

The government is also addressing human trafficking through other non-legislative measures, a reflection of the reality that an effective response to such a problem requires not only a strong legal framework, but also multi-sectoral collaboration to enhance our awareness and understanding of the problem and to facilitate effective and meaningful implementation of targeted responses.

The government recently has undertaken numerous measures for this end. For example, a website on trafficking in persons was launched in April 2004 and can be accessed through the Department of Justice Canada website. The website provides useful information for the public, describing the problem and related links.

*Government Orders*

•(1215)

[*Translation*]

Public education and awareness is being fostered through the development and broad dissemination within Canada and to Canadian embassies of a poster and an information pamphlet—available in 14 languages—to help prevent human trafficking victimization.

[*English*]

Professional training and education about human trafficking and enforcement related issues is underway and began with a training seminar in March 2004, co-hosted by the Department of Justice Canada and the International Organization for Migration. A similar seminar was held in May 2005 in Vancouver, hosted by the RCMP.

I support Bill C-49 because it is an important step toward strengthening Canada's ability to prevent human trafficking, to better protect its victims and to hold traffickers accountable. I hope all members of the House will be able to support the expeditious passage of this important legislation.

**Mr. John Maloney (Welland, Lib.):** Mr. Speaker, I would like some insight into how big a problem trafficking is. Is it a phenomenon that we have in Canada or is it a phenomenon restricted to developing countries? How big a problem is it for Canada?

**Hon. Paul Harold Macklin:** Mr. Speaker, the hon. member raises a very good point. Because of the very clandestine nature of the activity of human trafficking, it is impossible to get a full appreciation of the scope and impact of the problem, both internationally and at the domestic level.

However, as I mentioned in the speech, a couple of estimates that have been provided seem to give us some understanding of how broad-reaching this problem is in an international context.

According to the figures that I have, the United Nations estimates that over 700,000 people are trafficked each year. In accordance with the International Labour Organization, the estimates are that at any given point in time there will be just under 2.5 million people who are in forced labour situations as a result of human trafficking. Clearly, no country is immune from this and yet it is such a fundamental violation of human rights.

I do not think we can say that within Canada we have resolved the problem at this point which is why we want to bring forward for domestic purposes, as well as to work internationally, this legislation to deal with the problem that we know exists. We think it is fundamental. We think we have to do everything possible to give our authorities the ability to track down, properly charge and convict these individuals who would deem themselves appropriate to participate in this type of activity.

Second, the legislation would target those who would try to profit from this type of activity.

When we start hearing about some of the aspects in human trafficking, especially when it gets into not only the sex trade but also into human organs removal, the whole idea and concept of human trafficking and its results is something that is so abhorrent to us as a society and so against everything that we as Canadians

believe in, I believe it is important that the legislation be adopted as quickly as possible to assist our officials in being able to bring about enforcement, prosecution and sentencing of these individuals.

•(1220)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, about a year ago I had an opportunity to attend a conference sponsored by the Organization for Security and Co-operation in Europe. At that conference we received an excellent magazine produced by the United States on this very subject matter. It contained maps showing exactly where these incidents occur and the frequency. Just to look at the research that has been done shows us how serious a problem this has been over all these years. I am very pleased that this legislation has been brought forward.

I would like to ask the member about the sentencing. Sentencing issues have come up. I understand that under Bill C-49 those who are guilty of exploitation could suffer imprisonment for life. Where there is financial gain it could be 10 years. Where there is withholding or destroying of documents it could be up to five years.

I have often wondered whether the sentencing regime that we have related to some of these abhorrent crimes that are committed, like child pornography, child abuse and trafficking in persons, that we need to make absolutely sure that the courts recognize that the maximum sentences are not to be ignored. However if they are being ignored maybe the member could tell us what kind of experience they have had with regard to those matters where something like mandatory minimum sentencing might be an appropriate response to these abhorrent crimes.

**Hon. Paul Harold Macklin:** Mr. Speaker, the member does raise an interesting perspective to the issue at hand. When we look at it, we see first and foremost what we would refer to as the three p's of this process: the prevention of trafficking, the protection of victims and the prosecution of traffickers.

However, as I was trying to point out in my thoughts today, what we also need to do is educate the public because for the most part the public simply does not recognize that this exists. Our judicial system is part of the public and, quite frankly, they need to be equally informed of the nature of the problem that we have and the response that we believe is appropriate.

How we as a Parliament send the message to those who work within the justice system is usually through defining the nature of the penalty and, in particular, when we talk about the maximum of life imprisonment being one of the utmost of penalties that one can give within our system, we are bringing the message home that when judges examine all of the facts before them they take into consideration the way Parliament views this type of activity.

As I have mentioned before, it is fundamental to all of us that human rights protection, in particular the security of person, is absolutely essential. As we look at the broader picture throughout the world, we will do everything that we possibly can on an international stage, through the UN and through the various protocols that we have adopted, to work together with the international community to achieve the goals of reducing as much as possible this type of activity and if possible to try to eliminate this type of activity.

*Government Orders*

However on the domestic level this particular bill is extremely important because there are issues where within our own country we need to have the appropriate penalties and the appropriate charges that can be laid and the bill would create those offences that are appropriate. I believe that this would be helpful in bringing forward to the attention of all those involved within the justice system that this is an area where we no longer wish to have this carried out within our country, and that we want these penalties to be meted out appropriately and to bring this matter to an end.

• (1225)

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** Mr. Speaker, I surely would like to applaud the introduction of this important legislation. It has been long awaited by people throughout Canada. As was explained to me about the protocol with the United Nations on child trafficking, this must be negotiated and we have to come to an agreement with the provinces.

In his initial consultations with the provinces could the parliamentary secretary tell us what the provinces' reactions were to the introduction of such legislation? I am sure they all agreed with it but how would it be implemented once it is approved by the House?

**Hon. Paul Harold Macklin:** Mr. Speaker, there is no question that everyone within this country, both at the provincial and federal levels, mutually understand that this is something on which everyone would work together and try to implement. This of course is within the criminal jurisdiction of the federal government. We are trying to set out the appropriate type of offence that we believe can be properly prosecuted and that there will be convictions within the provincial sphere of the administration of justice. I think this would actually help the provinces carry out their duties because it is more precise and hopefully should lead to convictions that will be relatively easily obtained because of the nature of how we have described the offence within the bill itself.

I believe that there will be no problem with working with the provinces. I believe that this is a process that will be effective and that as and when we come up against these individual cases, we will find the provinces will be able to achieve their goals of effective prosecutions.

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, it is a pleasure to be back in the House and to address Bill C-49 as the justice critic for the official opposition.

The official opposition agrees that trafficking in persons is a modern form of slavery and is a serious human rights violation. The United Nations has reported that human trafficking is the fastest growing form of transnational organized crime. It is little wonder. Local organized crime organizations are drawn to the industry because of the enormous profit potential and the relatively low risk of detection. This is a booming industry that is run by powerful, multinational criminal networks who are well funded, well organized and extremely adaptable to changing technologies.

The United Nations estimates that there are over 700,000 people who are trafficked annually on a worldwide basis, 80% of these people being women and 50% of them being children. Revenues generated globally from trafficking are estimated at approximately \$10 billion American. Most victims are forced into commercial

sexual exploitation as well as involuntary servitude or debt bondage. Others may be exploited through hard labour in some countries. Children are trafficked to work as soldiers.

Trafficked persons are often duped into their new profession, deceived with seemingly legitimate employment contracts abroad or indeed marriages abroad. Others are simply abducted. Victims are often subjected to physical, sexual and emotional abuse.

Although there are no hard statistics because of the difficulty in tracing these crimes, in Canada the RCMP estimates that approximately 600 foreign women and girls are forced into the Canadian sex trade every year. That number of course is increased when one includes the number of individuals forced into other kinds of labour.

While Canada has a relatively good record on the international stage in terms of efforts to stem the incidence of human trafficking, there is still much work to do. In June of this year the United States state department reported that British Columbia had become an attractive hub for east Asian human traffickers who smuggle South Korean women through Canada to the United States, in large part attributable to the fact that South Koreans do not need a visa to enter Canada.

While trafficking is clearly a global problem that does not respect borders, enforcement is for the most part a domestic issue and Canada needs to take a much more active role in terms of ensuring that this international plague is not increased within our own borders.

I would like to quote Canadian journalist, Victor Malarek, who has written and researched extensively on the global sex trade. He said, "If a country is to be judged on how it deals with this scourge, that judgment must be based on the action it takes to eradicate it. The only thing that will send these thugs scurrying back into the rat holes is the full force of the law — unwavering prosecution, heavy prison time and confiscation of all profits amassed on the backs of these women".

I could not agree more with Mr. Malarek. I think though that one then has to measure his observations, the studies that people like Mr. Malarek and other agencies have done and compare them to what Bill C-49 would do.

What the bill would do in many respects is nothing new. It simply would codify in a more succinct fashion existing laws. Yes, it does focus on the issue of human trafficking, but there already are many provisions in the Criminal Code that are applicable to these particular crimes.

Currently the Canadian Criminal Code contains no provision to prohibit specifically trafficking in persons. although in the 2002 Immigration and Refugee Protection Act it did bring in some measures to combat this crime. Specifically, section 118 of the act prohibits bringing anyone into Canada by means of abduction, fraud, deception or use or threat of force, or coercion. Again, many of these laws already exist. Bill C-49 would simply codify and focus the law in this respect.

*Government Orders*

● (1230)

Bill C-49 goes beyond the current focus on immigration. The proposed amendments to the Criminal Code in Bill C-49 create three new indictable offences to specifically address human trafficking. The first contains the global prohibition on trafficking in persons. The second prohibits a person from benefiting economically from trafficking. The third prohibits the withholding or destroying of identity, immigration or travel documents to facilitate trafficking in persons.

In addition, the legislation also ensures that trafficking may form the basis of a warrant to intercept private communications and to take bodily samples for DNA analysis and permits inclusion of the offender in the sex offender registry.

Simply saying that we will permit the DNA taking or the inclusion in the sex offender registry is not enough. We know that there are numerous loopholes in both the DNA legislation and the sex offender registry. For example, the DNA legislation pales in comparison to the efforts that the British have taken. In Great Britain there are about 60 million people. There are approximately 3 million people in the British DNA database. In Canada, with a population of 30 million people, approximately half, we only have a database of about 70,000 people. Is it because we are so much more law abiding? I would suggest not.

In fact, what is the true case is that over 50% of even the most serious individuals convicted of offences are not being required to provide DNA samples. Quite frankly, this is a deplorable state of affairs. We cannot blame this particular legislation, but we can blame the government for refusing to put in the kinds of steps that are necessary to make our DNA legislation as effective as American or British legislation.

Rosalind Prober from Beyond Borders recently contacted me to talk about the problems with the sex offender registry. If people go to the Beyond Borders website, they will see many of the sex offender loopholes contained in it.

One of the things our government allows is for convicted sex offenders who are on our sex offender registry to leave the country for up to 14 days without giving any notice. These individuals, of course, are going to other countries exploiting youth and women and our government does absolutely nothing. That is only one small example of where the government could actually be taking steps to prevent the abuse of people in other countries by Canadian citizens and yet it simply refuses to do it.

What is important to note as well is that Bill C-49 also expands the ability to seek restitution to victims who are subjected to bodily or psychological harm. I want to talk about how one collects restitution in the Canadian justice system. It used to be that prior to the 1996 amendments to the legislation that the court would enforce restitution. Now, thanks to a bill the Liberals brought in, if one wants to enforce a restitution order, one has to go to court which issues a judgment. The victim gets a judgment. Instead of the court enforcing it through the criminal process, the victim gets a judgment which he or she has to enforce it through the civil process.

There is the spectre of immigrants or other people who may not be as knowledgeable of our legal system or are intimidated by our legal

system asking gang members for restitution. Can anyone imagine the ludicrous nature of this kind of law where we put the burden on the victim to collect these restitution orders instead of doing it as the courts used to? The courts used to enforce these orders. Saying that we are going to seek restitution and allow the victims to get restitution is absolutely ridiculous.

Can anyone imagine a poor, little old lady from the north end of Winnipeg going up to the Manitoba Warriors trying to collect a restitution order? That is a sample of the ludicrous provisions we have in legislation. They make great sound bites but they do absolutely nothing.

● (1235)

The other point is that we have new provisions for maximum sentences. Some are 5 years, some are 10 years and some are life imprisonment. The point we have emphasized over and over again is that when Parliament sends direction to the courts about increasing sentences, the courts are very clear in not following those directions. They simply do not follow them. The courts continue to impose the sentences they have always imposed because they have said that the overall direction from the government is not to send people to prison. Instead of enforcing new sentences, all the courts are going to do is look at the general policies set out in the Criminal Code which basically say to divert criminals from prison.

There are many situations where diversion is a good thing, but we know that in these kinds of situations it is not a good thing. These individuals are entitled to house arrest or conditional sentences as they are called in the Criminal Code.

We could compare sentences in Canada to sentences in Great Britain when individuals are actually convicted there. Members should read Victor Malarek's book in terms of the sentences that are imposed in Great Britain and the United States. The problem is that in Canada we simply do not have any mandatory prison sentences that individuals will face if they are convicted. This particular government is fond of saying that there is no evidence demonstrating that mandatory minimums work.

I will just mention for a moment marijuana grow ops. I spent a lot of time this summer in the lower mainland in British Columbia where there are an estimated 8,000 marijuana grow ops. Two days ago I was on a street of 25 houses where there were seven marijuana grow ops including one meth lab and one MDMA lab. This is an area with 8,000 marijuana grow ops, yet the government says mandatory sentencing does not work.

Whereas Canada has hundreds of cases going through the courts where individuals essentially receive a few thousand dollars in fines for operating multi-million dollar grow ops, in the United States, at the same time, there are three or four actual prosecutions because grow ops simply do not exist there to the extent that they do here in Canada.

*Government Orders*

The difference is that when individuals get caught in the United States for manufacturing methamphetamine or MDMA or getting involved in grow ops, those individuals will go to jail and will go to jail for hard time. Firefighters and police officers who have to raid these places and expose themselves to dangerous chemicals are protected, never mind the neighbourhoods that are subjected to this horrible abuse. Yet the government keeps on saying mandatory minimum sentences do not work.

We know for sure that the policy of the government of allowing these hardened criminals who are putting poison into our children's veins does not work. They are putting poison into our children's veins and they are getting house arrest. The government says that works, but I beg to differ. The Liberal government is killing our children and it does not seem to care.

This bill is only giving lip service to the concept of stopping those who want to exploit women and children no matter what country they come from. As a Canadian I feel that we have an international obligation to help people from whatever country they come from.

We know that the courts will do absolutely nothing in terms of deterring this unless the message is sent clearly in our Criminal Code that if this is done mandatory prison terms will be served.

There is one other point that I want to quickly make. The people who stand to monetarily gain from this are subjected to lower sentences, not life imprisonment. These are the kingpins who sit in the backrooms. They are protected by layers of criminal activity. They are the ones who collect the money. They are the ones who direct everything, and yet they are the ones who get the lower sentence.

• (1240)

Why is it that the government thinks that we should simply catch the people out on the street who are doing the abuse, but leave the criminals who are actually profiting with fewer sentences or lesser sentences when it is so difficult to get these individuals to begin with?

Is this a good thing that we are doing in Parliament today? Yes it is. The bill is a good one, but there are a few basic steps that we could take to make this truly an effective bill that would make a difference.

The first thing we should do is impose mandatory minimum prison sentences for those who want to abduct and exploit women and children in this fashion. Those individuals need to go to jail. It is not enough to say that we are going to leave this up to the courts. It is not enough. Parliament needs to stand up and Parliament needs to give direction in this respect.

I have already mentioned the other points. We must fix the sexual abuse registry, clear up the loopholes, and ensure that those who are convicted for abusing children and women are in fact protected.

Lastly, we have to look at the DNA bill. We took some steps to protect Canadians by improving the DNA bill. The Liberals in the last term wanted to give rapists a free rape or a free murder. We do not agree with that kind of thing. Persons should not have a free sexual assault or a free murder before they get on the DNA registry. That was changed as a direct result of the official opposition standing

up and saying that once individuals have been convicted of a murder they should be on the DNA database.

It is not enough to simply say they should also be convicted of a sexual assault or if they have been convicted of a sexual assault, they should also have a murder. It is not enough. If persons are convicted of an indictable offence in this country they should be on that DNA database to give the police the appropriate weapons to ensure that dangerous criminals are off the street.

The government, despite all of its talk refuses to do it, continues to refuse to do it, and is simply putting forward legislation saying that this sends a strong message. Who does it send a strong message to? It does not send a strong message to the courts because the courts are not imposing appropriate sentences. It does not send a strong message to the criminals because they are simply paying fines of a few thousand dollars as a licence to operate and they are back on the streets before the police complete the paperwork.

Who is it sending a strong message to? Is it sending a strong message to the people in our communities who are frightened because of crime? Absolutely not. The only message that it is sending to them is that they are scared to walk out on the streets in the evening. That is the message that the government is sending to the people of Canada in large cities, small towns and in rural Canada.

The opposition is prepared to stand up for Canadians, and protect Canadians and the rights of victims over the rights of criminals that the government consistently wants to protect.

• (1245)

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Madam Speaker, I will apologize for my comments and question being slightly peripheral to the bill, but the member's entire speech was peripheral to the bill and I have to comment on what he talked about.

As for the higher-ups getting off scot-free, they do not with our proceeds of crime bill. The suggestion that anyone in Canada would like rapists to have free rein was so outrageous that I could hardly take the member's speech seriously.

With regard to mandatory sentences, which is a useful topic for discussion, there are situations where it has been proven that they neither rehabilitate nor protect. In certain situations we need to have flexibility. I will talk about stronger sentences later because I agree somewhat with the member.

The suggestion that some government policy is the reason that courts do not send someone to jail for certain serious offences is ridiculous. It is a system where the courts are independent of the government. I am sure judges do not listen to such direction, which does not exist.

The member was complaining about marijuana operations. Our bill includes stricter penalties and hopefully the opposition would support that. I agree with the point the member brought up about dangerous chemicals. I am glad we have taken steps on crystal meth. I have made the commitment to our firefighters that we will do anything we can to make sure that they are not in jeopardy with these dangerous chemicals.

*Government Orders*

I do not agree with mandatory sentences in every case, but I would like other suggestions on how we might get stronger sentencing from the courts. In crimes of violence against women or even ending a woman's life, there can be seemingly light sentences.

This afternoon, as everyone knows, from 4:30 p.m. to 6:00 p.m. in Room 340S there will be a reception with the families of the peace officers who were slain in Alberta. I hope all members of Parliament who are listening will be able to attend.

Are there situations in that case where stronger sentences could help? I would like the member to comment on other methods of ensuring that sentences are appropriate in cases where they deserve to be appropriate given that the courts need flexibility for different situations, the number of offences, the motivation behind the offence, et cetera.

**Mr. Vic Toews:** Madam Speaker, when I was with the provincial government we appealed a number of cases where individuals who had been involved in the killing of individuals by motor vehicles and otherwise received conditional sentences. The Supreme Court of Canada clearly said that the direction was from Parliament. The direction came as a result of the 1996 law that the Liberals passed giving conditional sentences not only to non-violent offences, but to violent offences.

It was a policy directive of the Liberal government to tell the courts to stop putting people in jail. That is what the courts are doing. Yes, the courts are independent, but the courts function as a result of the policy direction that Parliament gives them. The policy direction that the government has given the courts is to allow even violent criminals out of jail.

When we deal with the issue of crystal meth, and I support the movement from schedule 3 to schedule 1, from 10 years maximum to life imprisonment, the point is there are still conditional sentences available. The meth dealers who are using the labs and burning houses and causing explosions in urban areas which is dangerous to children, women, men and traffic, will still get conditional sentences because the direction from the government is to provide conditional sentences, house arrest.

If the Liberals want a piece of advice on how to stop that, it would be to abolish conditional sentences. It is not necessary to have conditional sentences because in our Criminal Code we already have suspended sentences. In those cases where individuals do not need to go to jail for one reason or another, suspended sentences are already available. They were always available.

Conditional sentencing is simply an accelerated way of getting people out of jail as quickly as possible and perpetrating the fiction that those individuals are actually serving their time in jail. The courts say they cannot make a distinction between people actually serving their time in jail and people serving their time in house arrest on a conditional sentence. In law it is exactly the same thing. As a Parliament, we are perpetrating a fraud on the people of Canada by allowing that to exist.

One step the government has to take is to eliminate conditional sentences. The second step is for drug dealers and gunmen to have mandatory minimum prison sentences to ensure that they are off the streets.

I support rehabilitation. I support businesses creating job opportunities. I support all kinds of educational and other programs. I support all of those, but children cannot go to school when gunmen and drug dealers are on the streets. Businesses cannot create economic opportunities when gunmen and drug dealers are on the streets.

I met with the business people in Whalley, North Surrey just last week. The entire place looks like Los Angeles. There are abandoned buildings and barbed wire on top of fences. There is no business. People are scared.

There are answers and that is to get the drug men and the gunmen off the streets and get rid of conditional sentences.

• (1250)

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Madam Speaker, it certainly sounds like Canada would be a much safer place to live if the Conservative policies were implemented.

In July Karla Homolka was released from prison after serving just 12 years for three murders and a sexual assault. How would the Conservatives' minimum mandatory sentencing have affected the time she served?

On the topic of the national sex offender and DNA registry, would the hon. member please compare the amount of money that has been spent on that registry versus what has been squandered on the long gun registry?

**Mr. Vic Toews:** Madam Speaker, first, dealing with the Karla Homolka case, this was the case where the Liberals did not want someone who had been convicted of a serious crime in the past to actually go on the DNA registry. It was as a result of the official opposition's work in that respect that that individual now must do that.

I cannot comment on the particular sentence, but what I can say is that the law should prevent returning anyone cold into the community after serving the full sentence, that is, an individual who served his or her whole full sentence and took no steps at rehabilitation and we then turn that person loose. There are some very small preventive steps that can be taken in terms of peace bonds, but they are not particularly effective, as the media reported over the summer.

What I believe should happen in the case of all of these violent offenders is that at the time of sentencing there is that period of incarceration but a mandatory period of parole should be tacked on at the end. Even though the offenders did not rehabilitate themselves during their period of incarceration, at least there would be an ability to supervise.

*Government Orders*

With respect to the long gun registry, in the downtown streets of Toronto in excess of 40 people have been killed with handguns. The government basically blames the Americans. Those guns might be coming from the United States, but we have an obligation to protect our citizens when those guns are here in Canada. We need to take steps. The \$2 billion that has been squandered on the long gun registry has done nothing to prevent long gun violence. Indeed it has not stopped the handgun violence. Mandatory minimum prison sentences are needed for those who are using and carrying handguns illegally.

The government, despite all of its rhetoric and all of the money it has spent on the long gun registry, simply refuses to put those gunmen behind bars. It would prefer to see them under house arrest and back on the streets.

• (1255)

[*Translation*]

**Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ):** Madam Speaker, I am pleased to speak to Bill C-49. I note that the debate has wandered a bit in the past few minutes, and would like to get it back on track to the subject we need to address. This is, in fact, a very important and serious subject, one the House of Commons needs to address and act on as soon as possible, since it affects the most vulnerable members of our society.

This extremely important issue resurfaces from time to time in the media. Unfortunately, likely because of its complexity, it has not so far seemed to hold people's attention long enough to result in any effective action against it. Allow me to explain.

We know that organized networks with connections with major criminal organizations are taking advantage of others' distress, young women for the most part, but children as well. Very often, these vulnerable people are ready to do anything at all to escape the poverty they are living in.

The causes of this situation can vary from one individual to another, but there is a common denominator relating to misery, poverty and secrecy. The preconceived idea people have of trafficking in persons is, more often than not, associated with what used to be called, inappropriately to my mind, white slavery.

As I have just said, certain people, mostly women, get recruited for jobs here, in hopes of a better future and with no idea of the real hell that awaits them.

To take a familiar example: young women from the former soviet republics are approached by fake talent or modelling agencies and leap at the chance for a lucrative career in fashion. Others are approached by agencies claiming to be recruiting au pairs, that is young women to look after Canadian families' children. They end up in the clutches of criminal organizations that take away their passports and have well organized rings forcing them into strip clubs or prostitution.

There are other cases even more disturbing than those. Although we cannot take it upon ourselves to quantify or classify the degree of another's misery, it is important to know that, in this 21st century, some of these women end up as sex slaves. They are subjected to unimaginable abuse and constant threats on their own lives or those of people back in their country of origin, children, brothers and

sisters, or parents. They live with the constant fear of something happening to themselves or a loved one.

Trafficking in persons is a very broad issue, and I am deliberately dwelling specifically on this grim aspect of the issue, because it is both more insidious and more common around us than we are really aware. I could just as well have brought up the case of refugees, who are often clandestine immigrants, and who are being exploited by unscrupulous businesses in terms of the basic rights of workers or by individuals who reduce them to the condition of slaves by employing them as domestics.

Such situations exist and they are disturbing, but no efforts appear to have been made so far to denounce them.

That is the context in which we reviewed and addressed Bill C-49 and that is why the Bloc Québécois will be supporting it.

• (1300)

Allow me to digress briefly. Until just recently, we MPs got to spend a great deal of time in our respective ridings. I have been asked what bills we would be working on upon returning to the House. Whenever I mentioned the bill dealing with trafficking in persons, people almost always thought that legislation was already in place, that such behaviour was prohibited and that this problem was being addressed. They were very surprised when I told them that they thought wrong and this was going to be on our agenda.

We figure that Bill C-49 will provide police and crown attorneys with better legal tools to fight this trafficking in persons problem, especially where sexual exploitation and forced labour are concerned.

According to official statistics, there are approximately 800 reported cases—and the word “reported” is important—of victims of trafficking in persons in Canada. As one might expect in any such situation, this is probably but the tip of the iceberg.

The environment those involved live in is understandably not exactly conducive to denouncing abuse or effectively seeking resources capable of helping these victims.

We are supporting Bill C-49 essentially because it creates new offences specifically to prevent and denounce trafficking in persons and to hold the perpetrators of the crime responsible.

From a legal standpoint, trafficking in persons is defined as the recruitment, transportation or harbouring of a person for the purpose of exploitation. Although the bill does not mention it explicitly, this offence specifically addresses exploitation in the sex trade and in forced labour.

This bill also legally prohibits, in a broad sense, trafficking in persons for financial gain and the falsification, destruction or alteration of identification documents for the purpose of facilitating the commission of these criminal offences.

*Government Orders*

Bill C-49 also establishes sentences as serious as imprisonment for life for every person found guilty of trafficking in persons. This maximum sentence of the Canadian system would apply to individuals who, while trafficking in persons, kidnapped, committed an aggravated assault or aggravated sexual assault against, or caused death to the victim, or if they were an accomplice to these acts.

Every person who receives a financial benefit from the forced labour imposed on the victims of trafficking is liable to imprisonment for a maximum sentence of 10 years. Every person found guilty of possessing travel or identification documents such as a passport belonging to a victim, is liable to imprisonment for a term of not more than five years.

As a whole, the bill should be effective in addressing this growing problem and its atrocious social, individual and personal consequences.

The only odd thing is the relative simplicity of the proposed legislation. As I was saying in my introduction, it is a wonder that the government waited so long to tackle this issue head on. The bill includes only eight clauses. It is short and specific but took a long time coming.

To correct the unbearable situation that thousands of people are living in, the Bloc will do everything in its power to move this bill swiftly through the House of Commons and the parliamentary committee. As usual, we are open to any suggestions for improvement from witnesses at the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

Again, the bill is simple and gets to the heart of the problem.

The concept of exploitation is clearly defined in the context of human trafficking. So exploitation means making a person work or provide services, quite often of a sexual nature, by acting in such a way that victims fear for their safety or that of a loved one if they do not comply with the demands being made. In fact, it would be difficult to be any more specific.

Imagine the stress and fear that prevent an individual from identifying an abuser or pimp, and you get a good idea of the problem we are trying to eradicate here. Add to this the clandestine nature and the international ramifications of the problem, and it becomes a complex issue.

Once in effect, Bill C-49 will provide us with modern tools with which to fight slavery, which unfortunately has also adapted to the reality of globalization.

● (1305)

As I said during my introduction, prostitution is central to the activities of organized gangs, and the recruitment of foreign workers is facilitated by the wretched reality of people misled about the nature of the work they are seeking.

In a 2000 report by the United Nations on the trafficking of women, Canada was among the top 30 destination countries for human trafficking. We all agree that this is less glorious for "the best country in the world".

This report states that victims of trafficking do not expose their employers, among others, because once identified by the authorities,

they will not be allowed to remain in their country of adoption in order to seek protection or demand redress.

In a report published this year, the International Labour Organization estimated that 2.45 million people in the world are victims of forced labour.

The issue we are addressing today in the House is not, of course, restricted to the sexual exploitation of the victims of human trafficking. It is important to keep that in mind, although that aspect is easier to get a handle on. There are, however, also situations of forced labour under physical or psychological threat in such areas as construction, hotels, shipping or agriculture.

Exploitation of one human being by another is present everywhere at various levels, and the International Labour Organization has estimated that the revenue generated annually by such exploitation amounts to some US\$32 billion.

Other countries have moved on this more quickly than Canada—and more power to them.

In 2000, the United States passed the Trafficking Victims Protection Act, which created new offences as well as more severe penalties for crimes already included in the criminal code. Victims who work with the American authorities in order to help advance investigations into rings of trafficking and forced labour will be protected from deportation. The United Kingdom, France, Russia and Japan have recently amended their legislation to include provisions on trafficking in human beings.

Finally, passage of Bill C-49, the bill before the House at this time, will move Canada one step further along the road to a better world, and the Bloc Québécois will make an effective contribution to this.

In closing, I will make a commitment on behalf of my party to getting this bill passed as promptly as possible in order to provide our police, prosecutors and the law enforcement community with all the best tools needed to counteract this 21st century scourge as quickly as possible. This is my solemn appeal to all colleagues of all parties: work along with us to get this bill passed quickly, so that such tools will be available for the protection of these people, these women and children, in such great need of our assistance and protection.

● (1310)

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I thank the hon. member for his speech in support of Bill C-49.

Much of this debate has been about sentencing issues. It appears there is support for the bill, but the sentencing issues and the ability of the legislation to be enforced has come into question. I am wondering whether the House needs to have a take note debate on things like conditional sentencing, mandatory minimums, house arrest, and so on.

*Government Orders*

I am sure the member can provide a perspective as he is a member of the justice committee.

My question has to do with the provincial resources available to do the job. We can pass laws to change the Criminal Code but there is the enforceability and the resources, to have the assets available, the officers to do the work, as well as the resources of jails. The fastest growing business in the United States is jail building. The growth industry is jails. The member agrees.

I wonder whether part of the problem related to the bill is the inability of the courts to provide for the incarceration of those who commit abhorrent crimes such as child pornography, or with regard to the bill, the exploitation of the poor.

[*Translation*]

**Mr. Richard Marceau:** Madam Speaker, I would suggest that the member who asked me the question speak with his finance minister and the Prime Minister. Naturally, the provinces are struggling financially and they are having a hard time balancing their books. There is in this country a fiscal imbalance such that Ottawa has means much larger than its needs and, conversely, the provinces have needs much larger than their means. This is the kind of thing a province could do, if it so decided, with the money that it should have.

My answer to the hon. colleague with whom I had fascinating discussions a few years ago, while flying over the North Atlantic, is simply that he should tell his party to address the fiscal imbalance. That would be one way to help these provinces which, unfortunately, cannot always afford to do all they would like to do. They have desperate needs in health and education. Naturally, they have to set priorities, and may not be able to meet all their needs. This is my plea to this hon. colleague.

His colleague, the Parliamentary Secretary to the Minister of Finance, is also turning a deaf ear. He will not even recognize that there is a fiscal imbalance, even though every province and every party in the National Assembly does. This government is the only one with its head in the sand, the only one that will not recognize this fundamental problem currently facing Canada's society and government.

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Madam Speaker, first I want to commend my colleague from Charlesbourg—Haute-Saint-Charles for his fine speech. I might add that he always provides our party with good advice, especially on justice-related matters.

My colleague rightly mentioned the importance of having legislation on trafficking in persons. His constituents, as well as mine, are surprised that we do not already have such legislation.

I rise to ask him whether during any of the research or discussions at the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness any other aspects of Canadian policies were examined on whether we might in fact be promoting trafficking in persons.

In the spring there was the whole debate on the lack of certain qualified labourers, namely nude dancers. To our great astonishment we learned, here in the House of Commons, that bars were importing dancers because there was a lack of this type of worker and that for

the most part, these dancers were probably being handed over to organized crime.

I want to know if my colleague has any thoughts on the matter. Furthermore, would it not be appropriate during this debate to invite those responsible for justice and labour to examine this side of the issue?

• (1315)

**Mr. Richard Marceau:** Madam Speaker, I would like to thank my friend from Chambly—Borduas for his question.

Of course, a problem as important as this must be seen in context and studied in more depth. I can assure him that we will do this. I would also like to underline the work done by my friend, the Bloc critic for immigration. She has studied this aspect. Being a woman herself, she is very sensitive to the problems that people who want to come to this country can face, as well as to the abuses that there can be under the current system. Among other things, this system allows women to enter who might then be exploited. I have spoken with her about this and know that she is very sensitive to it, as am I.

My colleague from Chambly—Borduas is doing a tremendous job in this House. I had an opportunity to see him in my riding this summer. He met people, footwear workers, who were very happy about their discussions with him. And I would like to thank him publicly. I can assure him that we will work very hard to ensure that everything that can be done to fight this 21st century slavery will be done in order to put an end to this scourge as best we can.

[*English*]

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Madam Speaker, I would like to congratulate the member on his very eloquent speech in support of this government bill. I particularly appreciated his research and the references to international organizations.

I do have to disagree on the suggestion that there is a fiscal imbalance. The member well knows that his province has the same type of tax-creating abilities and expenditure controls. It can increase its income tax, sales tax, et cetera.

Her Majesty's loyal opposition has suggested that one of the weaknesses in this legislation is that there are no mandatory minimums. It was also suggested that we should in general get rid of conditional sentences. One of the reasons given was that there are suspended sentences. I am not sure what the difference is between someone on the street with a suspended sentence and someone on the street with a conditional sentence. I am not sure why that would be better.

Does the member agree with me that there are some offences in Canada where a conditional sentence may be warranted and may be useful in either protecting the public or helping with rehabilitation?

*Government Orders*

My second question is one which I asked the loyal opposition when we were talking about sentences. Does the member see any way to increase sentences or does he see any need to increase sentences on some occasions for severe sexual assaults or other assaults against women whose entire lives have perhaps been destroyed or taken away? Some sentences appear to be unreasonably light.

[*Translation*]

**Mr. Richard Marceau:** Madam Speaker, I have one minute to speak to you about a subject that is obviously very broad.

I would just like to say that we are not automatically against the very idea of minimum sentences. I myself have had motions to this effect inserted and passed with the help of other members on the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness in regard to child pornography and the protection of vulnerable persons.

However, I do not think that this should be a guiding principle of our criminal code. There is no evidence, in most cases, that minimum sentences work.

I had a discussion a few hours ago with my colleague from Marc-Aurèle Fortin, an eminent jurist, great defence attorney and former Quebec justice minister. I could add that this minister left very positive memories of his days in the Quebec government. So I am saying that I am not automatically opposed to this. The cases in which obligatory minimum sentences are inserted in the criminal code must be carefully targeted.

● (1320)

[*English*]

**Mr. Joe Comartin (Windsor—Tecumseh, NDP):** Madam Speaker, Bill C-49 comes out of a reality which I suppose none of us really want to accept.

I always think that I am optimistic in my viewpoint of humanity and progress in the world. One of the points I always make in that regard is that we conquered slavery, slavery that was part of any number of institutional and government makeups from time immemorial. We beat that one. We progressed. We outlawed slavery right across the world. Unfortunately, when we come to the question of human trafficking, the reality is that we have not. There still is a small part of the world, individuals mostly involved in organized crime, who are engaged in what in effect is slavery. There is no other way to look at it.

When I was looking at Bill C-49, I thought, do we really need this bill? There are provisions within the Criminal Code that would deal with what oftentimes is kidnapping, hostage taking, assaults, and more serious violent crimes against individuals. When we look at the scope of the problem, the ultimate conclusion we have to draw is that we do need the bill.

I cannot help but bring this home to my own riding. We have a major crossing in Windsor and Tecumseh and Essex County. In the last five to seven years we have had a series of incidents of trafficking in humans.

We so often hear about young women in particular, and sometimes young men but almost always young women, who are being

trafficked for the purpose of the sex trade. But there are others who appear to be used to provide cheap slave labour in the garment industry, the farming industry, which is all in the U.S. There are even people in the service industry, in restaurants and hotels. These people work at way below minimum wage in working conditions that oftentimes are horrible. They are doing so because of threat to their personal safety and oftentimes threats to their family members in their country of origin. We have seen that.

We have had some tragedies in Windsor as a result of this type of crime. There is a train tunnel that crosses between Windsor and Detroit. In the last five to seven years I think there have been three deaths as people were being smuggled through the tunnel. We think at least on one occasion it was one of the smugglers who was killed. The other two were victims of these crimes.

We have seen from some of the victims who have been apprehended that they come from all over the world. They come from Asia, China, Vietnam and India.

As we heard earlier from the Bloc member, a large number of people, especially young women, come from the former Soviet Union and eastern Europe. Some come from the Middle East. Interestingly enough a number of people come from Central and South America. They come up to Canada usually by boat along Canada's shores and then they are smuggled into the United States as what in effect will be slave labour.

There is no question about the problem. We heard from the parliamentary secretary the figure of 700,000 people a year that are trafficked. I have heard figures as high as a couple of million. The problem is there. Canada is one of the countries that is a recipient of this trade, mostly as a conduit into the United States. We have to deal with this problem.

● (1325)

Turning specifically to the bill, we have to ask the question, does it properly address the creation of new crimes? It makes sense to make the offence of human trafficking a specific crime. It would be much easier for our prosecutors and our police forces to obtain convictions if there was a specific charge.

Similarly, the additional charge that is being created which would make receiving a material benefit a crime under our Criminal Code makes sense. That one is often very difficult to establish. It may be taken into account in the sentencing, but right now, simply by showing that somebody has trafficked in humans, perhaps in the form of kidnapping or hostage taking, and then trying to prove that it is a separate crime because one has received a material benefit does not exist in our Criminal Code. The creation of the additional charge makes sense.

Oftentimes the victims' passports, travel documents, visas, and personal identification documents are removed from them as another means of control. By creating that specific offence, as is done in this bill, it would attack that conduct and convert it into a serious criminal offence punishable by what I consider to be fairly severe penalties.

*Government Orders*

I suppose I am speaking not only to the other members of the justice committee who will be reviewing this bill but also to the Canadian people more specifically when I say that one does have to be careful. The bill has significant limitations in terms of how it would be used. In order for us to comprehend that, we have to understand the nature of these crimes.

The vast majority of these crimes are perpetrated by organized crime around the globe. Because of the nature of the traffic in this country, a great deal of that organized crime, and in particular the ringleaders of those crime syndicates are not here in Canada because the crime originates elsewhere, for example, in the former Soviet Union, in Vietnam, or in China. It is in the country of origin where the crime originates. That is where the organized crime head pins tend to be situated. A great deal of the traffic that goes on here is by underlings. I will not say that for the biker gangs which we know are involved in the trafficking in the sex trade. We know that a number of those principals are here in Canada. The bill, if passed into law, would be useful in getting at them. What we and the Canadian public have to appreciate is that we will not get at the kingpins who are elsewhere, whether they are in the United States, in Europe, or in Asia. We will not be able to get at them with this bill.

We do need to take a more proactive position internationally on combating crime at its source. At least since the second world war we have done a reasonably good job of interacting with Interpol in dealing with crimes that are coming out of Europe. We have not been nearly as successful in other parts of the world. That is something we need to work on.

I do not think it can be done with legislation. It is one of those things where as parliamentarians we like to think we can resolve all problems. Maybe the Conservatives do not believe that, but I think the rest of us from time to time think we can resolve all problems by passing laws in this House. This is one of those times when it is clear it is not. This problem is only going to resolve itself, and I say that probably in the majority of cases, by getting to the source back in the countries of origin. That means international cooperation with governments across the globe.

It also speaks to another point. I want to raise the issue of terrorism and the amount of effort we have put into combating that. We have learned a lot about how to prevent incursions into Canada, as the Americans have in the U.S., those ideas, those thoughts and those enforcement mechanisms that we have developed to fight the agent who is coming into Canada on a clandestine operation or the terrorist bent on committing a serious crime. We have become much better at getting at that.

● (1330)

We have not done the same at stopping the flow of human traffic, but we have learned. We can apply those same new thoughts, principles and mechanisms to help fight human trafficking, to stop it from happening in Canada.

We can only do that with international cooperation with police forces around the globe. A good deal is being done at the UN at this time. We have to insist that more be done by countries that look the other way when young women are trafficked out of the former Soviet Union or young workers out of China, Vietnam or India. When governments look the other way, when local police forces and

local enforcement agencies look the other way, we have to call them on it. We have to tell them that this problem which originates in their countries is being foisted on us and we are prepared to deal with it here, but we should not have to deal with it, that it should be stopped before it gets to our shores. A great deal of work needs to be done on this issue by our foreign affairs department and through our security services internationally.

I would like to make one more small point with regard to Bill C-49. I have drawn this issue to the attention of the parliamentary secretary. One of the clauses in the legislation is probably going to be redundant, if it is not already, in that it has already been dealt with in Bill C-2, the child protection act which passed in the House and the Senate and is waiting final implementation. There are a couple of other technical matters in Bill C-49 which I have some concerns about as well.

The NDP will be supporting this bill subject to those minor changes, recognizing that it is not a panacea. It is not going to resolve half of the problems we are faced with in this country with respect to human trafficking. Our government has to do more at the international level to effectively combat this problem.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, the debate has often drifted to looking offshore at other countries, the source from where all these people are coming. Bill C-49 refers to trafficking in persons. The member has suggested that we have to work within those countries through international cooperation. We also have trafficking in persons within Canada. Maybe the bill should be renamed to refer to exploitation of persons, exploitation of seniors, exploitation of children, exploitation of the vulnerable.

I wonder if we are going to have some influence over the initiatives taken in some of the other countries which are the highest perpetrators. Canada cannot just go to those countries and do something without taking a strong stand, defining our values, defining who Canadians are and how we feel about these things, how we feel about the exploitation of persons, the vulnerable, the weak, the poor. That is the kind of Canada we are. We need to say that. We need to express that within this legislation. I am not sure if the words "trafficking in persons" mean what they should to Canadians. We are talking about a piece of legislation that deals with the exploitation of persons and those who are involved directly or indirectly in that exploitation.

I would be interested in hearing the member's comments about what we can do to make a very bold statement about how we feel about the exploitation of persons.

● (1335)

**Mr. Joe Comartin:** Madam Speaker, I do not think there is anyone in the House or any political party in the country that does not share the values that see trafficking in human beings as absolutely abhorrent. Does the bill go far enough in expressing those values? I am not sure. On the other hand, I do not believe there is any Canadian who would suggest that any member of the House and any Canadian does not see this conduct as abhorrent, and a value, if that is what we are expressing of Canada in wanting to prohibit this, wanting to get to the very root of it and wanting to root it out so that we are never faced with it.

*Government Orders*

I am not sure there is much more that Canada needs to do at the national level. I am much more concerned about our lack of activity at the international level. We need to play a more forceful role.

If I left the impression that trafficking does not go on in Canada, I did not mean to do that and I do not think I did. We know there is some of it here, but the vast majority of these cases come in from offshore. There is some trafficking in human life here in Canada, but it is very small, according to all the reports that I get. The emphasis has to be at the international level.

By passing the bill, if we need to communicate to doubters in the international community that we are serious about dealing with this issue, fine. It is one of the reasons that we should pass the bill.

The real work that needs to be done here, as I said earlier in my address, is with our security services and foreign affairs. They need to speak forcefully to those countries that allow what is oftentimes corruption to go on in their countries with regard to the trafficking in human beings.

**Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, I was very pleased to hear the hon. member make his remarks with respect to Bill C-49. He has caught the true flavour and feeling that all of us have when it comes to dealing with this subject matter.

I am wondering whether he agrees with the approach of dealing with the bill in a way that we deal with exploitation as being a key element. Does he believe that is the proper approach and the approach that really goes to the essence of this issue?

**Mr. Joe Comartin:** Quite frankly, I have mixed feelings about that, Madam Speaker.

It was interesting when Bill C-2, the child protection bill, was working its way through the justice committee. We heard from a number of police officers who worked directly in the field, and prosecutors. I remember one from Toronto in particular. His entire career for the last 10 years or so was dealing with crimes against children particularly and trying to use the existing sections of the Criminal Code which talk about exploitation in the relationship of the two people involved in the sexual contact. He was very negative on his ability and the ability of the criminal justice system to gain convictions when we use terms like exploitive.

Our courts historically, going back through the British criminal justice system, have not been good at defining it, interpreting it and applying it so that we end up with convictions. I am a bit concerned about some of the wording that we have used in the bill. There is no question that in a number of these cases the relationship clearly is exploitive. In others it is simpler than that. It is slavery. It is slave labour that we are talking about. I cannot help but wonder if we could not make the wording somewhat clearer in those cases.

In the sex trade cases it is much more difficult. However, when people who work in the garment industry in New York City have been smuggled through Canada to get there, whether it is through Buffalo or Windsor, when we see that happening, it seems to me we can simply say that this is a form of slave labour. Perhaps we should be using that kind of terminology.

● (1340)

[*Translation*]

**Mr. John Maloney (Welland, Lib.):** Madam Speaker, I am extremely pleased to speak today to Bill C-49, an act to amend the Criminal Code (trafficking in persons).

[*English*]

The bill is important for many reasons. It is important because it would more clearly recognize and denounce human trafficking. It is important because it would provide increased protection to those who are most vulnerable to this criminal conduct, namely women and children. It is important because it would impose increased accountability for those who engage in it. It is important because it realizes what I believe is one of this government's most important commitments: the protection of the vulnerable.

Human trafficking, or the recruitment, transportation or harbouring of persons for the purpose of exploitation, has become the new global slave trade. We have heard this reference to slavery several times today and all the vileness such references conjure up. It is a practice that affects all countries, including Canada, and because of this it has become an issue of prominence and priority for the international community, for Canada and for us regionally, including my region of Niagara, together with the United States and Mexico as part of the new security and prosperity partnership of North America.

The United Nations has estimated that as many as 700,000 persons are trafficked around the world each year. UNICEF has estimated that as many as 1.2 million children are trafficked globally each year.

In May of this year, the International Labour Organization estimated that at least 2.45 million people across the world are in situations of forced labour as a result of human trafficking. Of these, it is estimated that 32% are trafficked for economic exploitation and 43% are trafficked for the purpose of commercial sexual exploitation, with 98% of these being women and girls.

Those estimates show that those at greatest risk of being trafficked are those who suffer social, economic and legal disadvantage, in other words, children and women who are typically trafficked for sexual exploitation purposes or for forced labour.

As a consequence, in support of a stronger response to this horrible crime, I am very pleased to rise today and speak in favour of these proposed reforms which would create three new Criminal Code indictable offences.

The main offence of trafficking in persons would specifically prohibit anyone from engaging in specified acts, such as recruiting, transporting, harbouring or controlling the movements of another person for the purpose of exploiting or facilitating the exploitation of that person. This offence would carry a maximum penalty of life imprisonment where it involves the kidnapping, aggravated sexual assault or death of the victim and to a maximum penalty of 14 years imprisonment in any other case. These are very significant penalties.

*Government Orders*

The second new offence would prohibit anyone from receiving a financial or other material benefit for the purpose of committing or facilitating the trafficking of a person. This offence would be punishable by a maximum penalty of 10 years imprisonment.

The third new offence would prohibit the withholding or destruction of documents, such as a victim's travel documents or documents establishing their identity for the purpose of committing or facilitating the trafficking of that person. This offence would carry a maximum penalty of five years imprisonment.

These reforms also recognize that the exploitation of the victims is at the very heart of the criminal conduct and so we are proposing to make exploitation an element of the trafficking offence itself.

There are many manifestations of human trafficking. Some of these can be addressed through the trafficking in persons offence in the Immigration and Refugee Protection Act which applies to cross border trafficking and addresses exploitation as an aggravating factor for sentencing purposes.

I believe that the proposed Criminal Code reforms would better enable us to address more forms of trafficking, including trafficking that occurs wholly within Canada. Ultimately, with the proposed Criminal Code amendments, law enforcement officials would have a significantly enhanced ability to ensure that the offence charged, whether it is under these new Criminal Code offences or under the Immigration and Refugee Protection Act, is the one that best responds to the facts of a specific trafficking case and best achieves our ultimate objective, namely the protection of the victim and effective prosecution of the offender.

I also understand that the proposed Criminal Code reforms have been developed in close collaboration with the interdepartmental working group on trafficking in persons which is currently developing a federal anti-trafficking strategy to coordinate and enhance federal anti-trafficking measures.

● (1345)

I understand that the strategy will focus on preventing trafficking, protecting victims and holding offenders to account in keeping with international standards. There is clearly a continuing commitment to address this serious issue beyond legislative reform. Right now these reforms will help us to achieve these ultimate objectives.

[*Translation*]

I really believe that the proposed reforms are important ones. They respect the commitment made in our throne speech and underscore our ongoing commitment to revisit our measures against trafficking in persons.

I therefore hope that all hon. members will support the proposed reforms.

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** Madam Speaker, I would certainly like to congratulate the member for Welland on his brilliant presentation in connection with this important bill.

The bill gives a definition of exploitation and refers to a number of types of exploitation.

Could the hon. member clarify this? What is included in the term “exploitation”?

[*English*]

**Mr. John Maloney:** Madam Speaker, human trafficking is all about the exploitation of victims which is why it is a key element of these amendments as we address exploitation directly.

Under these new offences, exploitation would be defined as causing a person to provide labour or services, certainly such sexual services, by engaging in conduct that leaves the victims to reasonably fear for their safety or the safety of others they may know, such as a child or a family member.

Another interesting aspect is that it would also apply to the use of force, coercion, intimidation or deception causing the removal of an internal organ. This is something that has not come forward today but it is certainly a growing concern within this country. Human organs and tissues are certainly things that some people would almost give their lives for because they will lose their lives if they do not get them. It is becoming a matter of increasing concern that people would be forced or intimidated to furnish their human organs for another's purposes and for profit.

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Madam Speaker, some of the opposition critics have suggested there was nothing to prevent this in the past but in fact the Immigration and Refugee Protection Act already has a specific offence against human trafficking. In fact there have been convictions under that act.

I would just like to ask the member why these new offences are needed when we already have provisions in the Immigration and Refugee Protection Act.

**Mr. John Maloney:** Madam Speaker, the Immigration and Refugee Protection Act has been a vehicle through which these types of offences have been dealt with but generally speaking these are offences that cross borders and this act does deal with that.

This act also deals with exploitation but it is predominantly within the country. There is trafficking within our country from region to region and this is not covered by the Immigration and Refugee Protection Act. Now we have that base covered as well, which is very important.

● (1350)

**Mr. Pat Martin (Winnipeg Centre, NDP):** Madam Speaker, I would like to ask my colleague from the Liberal Party how he squares the circle of speaking today about trafficking of human beings and introducing legislation to that effect, and the fact that the Government of Canada for years has been pimping for the underworld by bringing Romanian strippers to work in Canadian strip joints, some of them owned by prominent Liberal lawyers in Toronto, and then losing track of these women into the pornography and sex trade underworld in Canada.

*S. O. 31*

I want to know how a Liberal member of Parliament can stand and talk about passing legislation on sex trafficking of women when the Government of Canada, by policy, has been pimping for underworld practitioners by dragging these exploited women from eastern European countries into brothels and strip joints owned by prominent Liberal immigration lawyers in the city of Toronto. How does he justify that?

**Mr. John Maloney:** Madam Speaker, I find that question most interesting and perhaps amusing. Certainly no member of this party and this government would pimp in the nature that the individual has suggested. That is shameful in my opinion.

We invite people to come to this country to perform certain labour. I would suggest that we had an isolated case a year or so ago but we definitely would not knowingly allow this to go on. In fact, when it came to the light of the authorities it was certainly investigated.

We are just concluding a study and certainly prostitution and the trafficking of women will be key items in the report. The government is addressing those situations. The forfeiture of documents is exactly what happens. Women could come to this country thinking they have legitimate employment only to find that their documents have been confiscated, that they owe a big debt to the individuals who brought them here and are then forced into prostitution to satisfy the debt. This is something that this committee will be looking at and will be making recommendations on so that this type of practice is discontinued.

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Madam Speaker, I wonder if the hon. member across the way would care to comment on Canada's international standing. I believe the OSCE puts out a report every year regarding Canada's part in slavery, in the white slave trade, et cetera. There are three categories and I believe it is category one that has open borders and allows all of this to happen. I believe it is category three that has the tightest security. I may have those numbers reversed but Canada was a number two and I believe it still is a number two.

According to the report, because of the loose immigration and the border aspect of that, women and young children are brought into this country, are held in Canada for a certain period of time and are exported to another country where child slavery, child pornography or just plain old ordinary prostitution takes place.

I would like to hear the member's comments on that particular issue. Does he know what Canada's standing is this year?

**Mr. John Maloney:** Madam Speaker, quite frankly, I am not familiar with the unnamed report to which the member referred so I cannot really make much comment on that. However with regard to loose immigration I take issue with that statement.

I personally have never heard of a situation where we would import people, whether it is men, women or children, to export to other nations. The member is nodding yes. I am certainly not familiar with activities of that nature. I think the suggestion that this goes on is reprehensible that we as a country would allow this. If the member would provide additional information I would certainly like to follow up on that.

However even in our study on prostitution and trafficking of women into this country, children were not referenced. Trafficking of

women perhaps does go on but it was not as if they were trafficked here to go elsewhere.

• (1355)

**Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, as has been mentioned in the House today, Canada does have other laws that have been applied to human trafficking but not necessarily domestic laws that have been as precise as what are being proposed in Bill C-49.

I wonder if the hon. member, who I know is well versed in matters of justice and sits as the chair of the justice committee, might be able to comment on how effective Canada has been in terms of bringing human traffickers to justice using the existing methods that we have at our disposal.

**Mr. John Maloney:** Madam Speaker, as we have referenced, the Immigration and Refugee Protection Act has been a very successful act to prosecute those who traffic across the Canadian border. In April of this year the first charge was laid under the specific trafficking in persons offence, section 118 of the IRPA.

Additionally, a review of the Criminal Code cases from March of 2004 to February of 2005 identified at least 31 individuals who were charged with trafficking related offences which resulted in 19 convictions. The remaining 12 cases were before the courts.

The government saw a need and responded to that need. The effectiveness is being indicated and illustrated in the specifics which I just provided.

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## STATEMENTS BY MEMBERS

[English]

### THUNDER BAY BORDER CATS

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Madam Speaker, it gives me great pleasure to congratulate the Thunder Bay Border Cats on capturing the 2005 Northwoods League Baseball Championship with an astounding 4-3 win over the American Madison Mallards in front of a record 3,091 cheering fans.

In 2003 the Thunder Bay Border Cats joined the Northwoods League, which is comprised of 12 teams of top collegiate players from across the United States and Canada. After just three seasons, President John Wendal, General Manager Greg Balec and their dedicated staff and players have earned the respect of both the league and the community through their tenacious support.

I ask my fellow members to join me in congratulating the Thunder Bay Border Cats, the 2005 Northwoods League champions.

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### GASOLINE PRICES

**Mr. Werner Schmidt (Kelowna—Lake Country, CPC):** Madam Speaker, while the Minister of Finance rubs his hands gleefully over another surplus, Canadian taxpayers are searching their empty pockets for the money it will take to keep their families warm this winter.

*S. O. 31*

Gas prices are threatening to reach \$2 a litre at the pumps and heating costs could double. The finance minister shrugs his shoulders and suggests that a few cents here and there will make no difference. What arrogance.

In fact, each increase of 1¢ per litre at the pump is equal to \$32 million to the Government of Canada. The minister has a choice and he knows it. He can help Canadians immediately by reducing the GST on fuel.

This is not the time to be profiting from high gas prices. This is the time to reduce the GST, reduce the price at the pumps and help Canadians.

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#### ORLEANS REBELS

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** Madam Speaker, I would like to congratulate today Sarah Thompson, Jenn Labelle, Erin Durant, Jenny Allen, Sarah Renaud, Lindsey Hutton, Ashley Vautour, Jillian Taylor, Carolyn Chmiel, Sarah Collins and Sam Pantalone, all members of the Orleans Rebels, a girls fastball team.

These young ladies won both the provincial Tier II Grand Championship and the prestigious Adirondack Avalanche Summer Invitational Tournament in Glen Falls, New York. They also finished third in the 22-team Canada-U.S. pool at the Montreal International Summer Classic, and they brought home the eastern Canadian championship from Saint John, New Brunswick.

I wish to offer my congratulations to these young ladies and their coaches. All residents of Ottawa-Orleans are very proud of them.

\* \* \*

• (1400)

[*Translation*]

#### SIMON WIESENTHAL

**Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ):** Madam Speaker, on September 20, at the venerable age of 96, Simon Wiesenthal passed away. He was one of the most famous Holocaust survivors. He dedicated his life to the pursuit of justice, particularly through his tireless hunt for Nazi war criminals.

Born on December 31, 1908, Simon Wiesenthal experienced the horrors of the death camps and the disappearance of 89 members of his own family at the brutal hands of the Nazis.

After the second world war, in pursuit not of vengeance but rather justice, he devoted himself to hunting down Nazi criminals, wherever they were hiding. As a result, he helped locate some 1,100 war criminals, including Adolf Eichmann, one of the architects of the Shoah, and Franz Stangl, camp commander for Treblinka and Sobibor.

He has been called the conscience of the Holocaust by refusing to bury his terrible memories and serving as a permanent reminder of the victims of the Holocaust.

He believed, and rightly so, that freedom without justice was impossible. The victims of the Holocaust and the entire world are forever in his debt.

#### HURRICANE KATRINA

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Madam Speaker, Canadians were saddened by the tragic events that occurred in Louisiana and Mississippi as a result of Hurricane Katrina.

The mayor of Bouctouche, Aldéo Saulnier, and numerous residents of this New Brunswick town decided to do something to help their Cajun friends in Saint Martinville, Louisiana, where thousands of evacuees sought shelter.

Aldéo organized a campaign, and individuals and businesses made generous donations of cash and goods to assist victims in Louisiana. A truck fully loaded with donations was sent off to Saint Martinville. People have shown remarkable generosity.

[*English*]

I congratulate the mayor of Bouctouche and the many volunteers who came to assist the people of Saint Martinville, Louisiana, their twin community, who were affected by the terrible events of Hurricane Katrina.

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#### EMERGENCY PREPAREDNESS

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Mr. Speaker, every community across Canada can fall victim to a tragedy. Unfortunately, the federal Liberal government's failure to adequately prepare it for emergency will cost us lives. The fact that only 14% of its promised funding for Nova Scotia's disasters has been delivered speaks volumes.

When I assisted in flood relief in the United States and Manitoba, I witnessed first-hand the benefits of proper training, equipment and preparation. The government continues to ignore the lessons of history. Our medical professionals, licensed provincially, would be unable to administer medical assistance across provincial borders.

Most first responders remain under-equipped and poorly trained. Before a disaster is the best time to prepare. Let us cut the red tape. Let us train and fund emergency preparedness now, not after a disaster.

\* \* \*

[*Translation*]

#### SIMON WIESENTHAL

**Ms. Raymonde Folco (Laval—Les Îles, Lib.):** Mr. Speaker, I would like to pay tribute today to Simon Wiesenthal, who died in Vienna at the age of 96.

Sixty years ago, Simon Wiesenthal was a man without a name, without hope and without a future, known only by the number tattooed on his arm. The only survivor from a family of 89 people shipped to Nazi extermination camps, Simon Wiesenthal dedicated the last 50 years of his life to hunting down the war criminals responsible for murdering 6 million Jews in Europe during the Holocaust; he played a significant role in the capture of Adolf Eichmann and Franz Stangl, the commandants at the Treblinka and Sobibor camps.

He will be remembered as the conscience of the Holocaust because, as he often said, "When history looks back, I want people to know the Nazis weren't able to kill millions of people and get away with it"

Simon Wiesenthal, we shall never forget.

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●(1405)

#### GÉRIN-LAJOIE DOCTRINE

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, with profound outrage, the people of Quebec have once again seen the Liberal government renege on its promises. Indeed, the Minister of Foreign Affairs has declared that he would not allow Quebec to speak with its own voice on the international scene, even in matters within its jurisdiction, for fear that, one day, the government in Quebec might be headed by sovereignty fanatics.

However, shortly before the 2004 federal election was called, the Prime Minister had recognized that, in international forums, Quebec should be allowed to speak on matters within its jurisdiction.

On behalf of the government, the member for Papineau is backing out of the positions developed in the 1960s by Liberal minister Paul Gérin-Lajoie. He is joining the ranks of those who want to build Canada on the back of Quebec. More importantly, he is making it clear that, if it wants to defend its own interests in international forums, Quebec has no choice but to achieve complete and full sovereignty.

\* \* \*

[English]

#### SIMON WIESENTHAL

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I too rise today to pay tribute to the late Simon Wiesenthal, the famed Nazi hunter who died last Tuesday at the age of 96.

Mr. Wiesenthal was a prisoner in the Mauthausen death camp in Austria when it was liberated in 1945. Following its liberation, he made it his life's work to track down those individuals responsible for the Holocaust. Not only did he seek justice for the victims of the Holocaust, but he was truly a voice for those who could not speak. Often called the conscience of the Holocaust, his efforts helped bring more than 1,100 Nazi war criminals to justice.

Today the Simon Wiesenthal Centre, headquartered in Los Angeles, continues the work started by him. It continues to strive to eliminate anti-Semitism, as well as other forms of tolerance in today's world.

*S. O. 31*

I ask my colleagues to join me in paying tribute to Mr. Wiesenthal, his accomplishments and his legacy.

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#### INTERNET IN SCHOOLS

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, the educational use of the Internet in schools across our nation is now in jeopardy. Why? Because the government has tabled a piece of copyright legislation that ignores the fact that the legal framework for Internet use in the classroom is not addressed. This could have devastating consequences for teachers and students in my riding of Kildonan—St. Paul and all across our nation. The 2005 school year has already started. It has to be done now.

All educators want is access to information on the Internet that is intended to be free of charge in the first place. Creators who wish to sell their materials online can limit access very readily through a subscription or a password process. This educational amendment is crucial to the schools across our nation.

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#### CANADIAN BROADCASTING CORPORATION

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, for the past six weeks the management of CBC has locked out 5,000 employees. This lockout is not only affecting workers and their livelihoods but the longer the situation is allowed to continue the more the future of the CBC is called into question.

Like other members, I have requested that the heritage committee call before it members of senior management of the CBC in order to explain to Parliament why CBC workers continue to be locked out and also to explain their mandate for the corporation as they see it. As well, some of us have also indicated that we will refuse to do CBC interviews as long as the lockout continues.

Many of us now believe the public has a right to know what is really going on. The CBC that Canadians trust is in danger of slowly disappearing. The CBC is not just another corporation, not just another service to the public, but a symbol of our country, indeed a value that we need to sustain.

I call upon the CBC management to act in good faith and to end the lockout.

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#### TERRY FOX'S MARATHON OF HOPE

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, amid all the end of summer controversy about hurricane Katrina, gas prices, the CBC lockout and various other important issues, many Canadians quite properly focused for a time on a very important anniversary, the 25th anniversary of Terry Fox's Marathon of Hope.

The courage and determination Terry displayed in his fight against cancer and for a cure continues to be a remarkable source of inspiration to millions.

*S. O. 31*

On September 16, I was pleased to walk with students from Wayoata Elementary School in Transcona at an event to honour Terry Fox. Terry is very special to the students of Wayoata Elementary School because he attended there for two years before his family moved to B.C. in 1966.

Transcona is proud to be associated with Terry Fox. He has become a national and international symbol of both the tragedy of cancer and the inextinguishable hope that some day, through working together to fund research and prevention, cancer will be beaten.

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**ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL  
AND PETER SCHIEMANN**

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Mr. Speaker, today the family members of the murdered RCMP officers, Constables Anthony Gordon, Leo Johnston, Brock Myrol and Peter Schiemann, made the following statement:

Today our families call upon Parliament...to begin crafting an effective national drug strategy... This strategy would involve committing far greater resources to law enforcement agencies at both provincial and federal levels in the war against drugs.

The families went on to say:

Our politicians also need to see that Canadians want change. We therefore ask all Canadians on October 3—one week from today and exactly seven months since our sons were murdered—to turn on their front lights from 8-10 p.m. Whether it be a front porch light, a garage light, a light in your living room apartment—please turn it on. We want to see a wave of light move across Canada's time zones from east to west as a show of unity on these issues. Let it be a wave of light and a surge of energy for change. So the appeal from our four families to all Canadians is that you join us in this referendum of lights.

\* \* \*

● (1410)

[*Translation*]

**GASOLINE PRICES**

**Ms. Monique Guay (Rivière-du-Nord, BQ):** Mr. Speaker, the dramatic spikes in the cost of oil continue to hold the consumers of Quebec and Canada hostage.

Regardless of the international context, it is wrong to believe that the federal government is without recourse and has no means of curbing the increase in the price of oil or mitigating its impact.

On April 20 Liberals and Conservatives rejected a Bloc Québécois motion to create a petroleum monitoring agency responsible for preparing an annual report on all aspects of the industry.

Over the summer, the Bloc Québécois proposed an assistance plan for the most vulnerable: families on modest incomes, remote areas and the hardest hit sectors of the economy. This plan also recognizes that it is imperative to discipline the industry, reduce our dependence on oil and increase taxes on the oil industry.

Solutions exist, but the federal Liberals refuse to budge and to implement them for fear of upsetting their friends and contributors in the major oil companies.

[*English*]

**CHUCK CADMAN**

**Hon. Stephen Harper (Calgary Southwest, CPC):** Mr. Speaker, today I rise to pay tribute to our former friend and colleague, the former member of Parliament for Surrey North, Chuck Cadman.

It was out of great personal tragedy that Chuck first chose to present himself for public office.

The senseless death of his son Jesse in 1992 drove Chuck to become an outspoken advocate of victims' rights in Canada. He and his wife Donna founded the group Crime Responsibility and Youth to counsel and help young offenders and at risk youth. His agenda was clear: Changes needed to be made to the criminal justice system, specifically stricter sentences for violent young offenders.

Chuck was an honest and decent man who wanted change for the better. He was a loving husband, a caring father and a good friend to many.

His hard work and dedication to justice issues will forever be his legacy in Ottawa, in Surrey and right across the country.

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**SOMALIA**

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** Mr. Speaker, the hon. Sharif Hassan Shaykh Aden, Speaker of the Transitional Federal Parliament of Somalia, is visiting with his Canadian counterparts to share with us the many challenges that his country faces.

Just recently I returned from a fact finding mission to Somalia where I saw first-hand the heart-wrenching conditions that are the result of 14 years of civil war and the anarchy of warlordism.

I also met with President Abdullahi Yusuf Ahmed, Prime Minister Ali Muhammad Ghedi, as well as many ministers and parliamentarians of the transitional federal government.

The message I heard from the Somali people was that their country had arrived at an historic opportunity and that they were awaiting their leaders to rise to the occasion, to set aside their personal interests and ambitions in order to reclaim a future for the people of Somalia and for the children of Somalia.

I welcome Speaker Aden and I hope that his visit will give impetus to Canada playing a greater role in civil society building in Somalia during this historic opportunity.

*Somalia Hánolato!*

\* \* \*

[*Translation*]

**ÉLIE FALLU**

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, last June, Élie Fallu announced his retirement from active politics. I want to pay tribute to this kind-hearted man, who for 43 years worked endlessly for the people of Quebec and Sainte-Thérèse.

*Oral Questions*

Mr. Fallu was heavily involved in the Lower Laurentian area in the union movement, education, and promoting arts and culture. He was instrumental in getting the Montréal—Blainville—Saint-Jérôme commuter train on the tracks.

He was twice elected to the Quebec National Assembly as a member of the Parti Québécois. He was the mayor of Sainte-Thérèse and reeve of the Thérèse-De Blainville RCM. His entire life and career were guided by his desire to serve his people and to fight poverty.

He was one of the first sovereignists and an active member of the Council for Sovereignty, who proclaimed his unwavering faith in the ability of Quebecers to govern themselves.

Mr. Fallu, the Bloc Québécois salutes and thanks you.

\* \* \*

● (1415)

[English]

**MEMBER FOR CHILLIWACK—FRASER CANYON**

**Mr. Chuck Strahl (Chilliwack—Fraser Canyon, CPC):** Mr. Speaker, early this summer I was given the unpleasant news that I have cancer. It is the sort of news that thousands of Canadians, including many in this House, must grapple with all too often. Medically speaking, let us just say that I have had better summers.

Yet the summer also reconfirmed that when the going gets tough it is relationships that really matter.

My relationship to constituents, to friends and co-workers matter more than ever.

My relationship to God brings a peace that passes understanding.

My relationship to family, many of whom are here today, is always special, and this summer it has been especially sweet.

Many people have taken time to encourage us during the weeks since my diagnosis and I want to thank every one. My family and I treasure every word, we cherish every call and we covet every prayer. Truly, encouragement is one of the gifts of the spirit.

It is time now for all of us to get back to our nation's business and I have been looking forward to this for some time. The work here will always be important to me but those relationships that I talked of will be important forever.

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**ORAL QUESTIONS**

[English]

**JUSTICE**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, today the families of the four RCMP officers tragically murdered near Mayerthorpe, Alberta are in Ottawa and they are seeking some changes to the criminal justice system.

Since this tragedy, we have continued to see a shocking rise in gun crime and gun violence right across this country but no action at all from the government. Will the Prime Minister join with police

officers, their families and others across the country in committing to mandatory minimum sentences for serious repeat and violent crimes?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I was in Alberta for the commemoration and memorials in honour of the four Mounties who lost their lives. It certainly was one of the most emotional experiences I have ever gone through and I am sure for those who watched it, it was exactly the same thing.

I met the families and had long discussions with them. I can assure the families and I can assure the hon. member that the government takes the issues that he has raised very seriously and that the government does intend, as has already been indicated, to act within this area.

\* \* \*

● (1420)

**GASOLINE PRICES**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I would remind the Prime Minister that we will continue to seek real action not just good feelings.

Over the past three months, besides rising gun crimes, Canadian businesses and consumers have been enduring record high gas prices across the country. On this issue as well, Canadians have seen nothing other than 100 days of inaction from the government.

Rather than continue to rake in record high revenues from record high oil prices, will the government simply cut gas taxes for consumers?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the hon. member knows that the majority of these taxes, certainly the excise tax, do not go up when gas prices go up. He also knows that as a result of actions taken by this government, 50% of those gas taxes will ultimately go to municipalities across the country to pay for things like urban transit, sustainable development and good roads.

If what the hon. member is suggesting is that in fact the money going to the municipalities should be cut, I think it would be very counterproductive. In fact I think those municipalities require that money, especially at this time.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, every time gas prices rise a cent, almost \$40 million goes into the coffers of the government. It should stay in the pockets of consumers.

[Translation]

Here is a perfect example of this government's inaction. Three weeks ago, truckers in New Brunswick sent a letter to the Prime Minister asking the government to take action against the high price of gasoline. They have yet to receive a response.

Will the Prime Minister answer the truckers, and what actions will be taken?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the premise of the question put by the leader of the opposition is clearly unfounded. The fact is that the government is not pocketing this money nor does it intend to do so.

*Oral Questions*

Last year, the Minister of Finance put this money into a fund for medical equipment. The government intends to consider such options. We are not pocketing this money.

[*English*]

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, while the Prime Minister spent the summer burning jet fuel in the Challenger making phony announcements, his cabinet ministers were touring the country in limos tanked up on taxpayer dollars. In contrast, Canadians were lined up at local gas stations getting fleeced by record high fuel costs.

From the cozy confines of 24 Sussex, the Prime Minister continues to dither on tax relief for Canadians. His government is pulling in money hand over fist because of the increased taxes on oil and gas.

When is the government going to give Canadians a tax break and stop gouging them on the high cost of oil and gas?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the statistics would show that the government does not anticipate a windfall from this situation. However we are determined to redirect any increased federal revenues to the benefit of Canadians, especially those in the greatest need. As I have said several times, we are considering our options for doing that in the most efficient and cost effective manner.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, the finance minister's credibility on surplus as well as corporate tax breaks is pretty speculative. Seniors and Canadians on fixed incomes getting their oil tanks filled this winter, truckers bringing in products on an already razor thin margin and farmers and fishermen bringing in cash crop and catch are all being hit by the increased cost of fuel.

The Prime Minister said that lowering the gas taxes would not be an answer, that this was not what was required. His finance minister said the same thing, that lowering taxes at the pump would not make a difference. It would make a difference for Canadians.

Why are Canadians carrying the costs of these increases in taxes and when will we see some action on the cost of fuel?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I wish the problem were as simple to solve as the hon. gentleman suggests. Unfortunately, the complexity and the volatility of the marketing chain means that we can see at the pump a variation in prices of 5¢ or 10¢ within a matter of a few hours.

A tax break of 2¢ or 3¢ per litre would rapidly become invisible. Indeed, the industry suggests that we would need a forensic auditor to find it.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Minister of Transport has said that there was nothing the federal government could do about the spike in gas prices. However, there are several avenues this government could take to alleviate the burden on consumers directly. The Bloc Québécois recently proposed a whole series of solutions including tax credits for low-income families and for public transit costs, and incentives for converting from oil heating.

Instead of dithering at the consumer's expense, why does the Prime Minister not move forward with the Bloc Québécois' proposals that are quick and easy to apply?

• (1425)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the leader of the Bloc Québécois is well aware that last year, when we were in a similar situation, the Minister of Finance deposited government receipts, the GST surplus for example, into a fund earmarked for medical equipment. This was very important for low-income, disadvantaged families.

The government has no intention of pocketing any money. We are looking at the very same kind of option.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** I must admit I am having a hard time following the Prime Minister's logic. I would like him to present concrete measures for farmers, independent truck drivers and the entire forestry sector. These are people directly affected.

What is the Prime Minister waiting for to take action and present concrete measures in order to help low-income families and those currently affected by the spike in gas prices?

We need answers, not recycled old speeches.

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the government has allocated up to half of the excise tax to municipalities, communities in Quebec and throughout Canada. This money will be used for roads and recreational equipment. This money will help Canadians who need it.

That is what we have already done. We are ahead of the Bloc Québécois.

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, the Bloc Québécois has been recommending for more than two years that the government set up a petroleum monitoring agency. The government never followed up on this recommendation, refusing to act.

Will the government admit today that its unwillingness to act has directly contributed to the exorbitant rise in petroleum prices, given that a significant portion of this rise largely exceeds the increase in the international price of crude oil?

Will it finally set up this agency?

[*English*]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, the government is concerned about rising fuel prices. We are concerned about transparency. I will be working with the Minister of Natural Resources to ensure that we do put in place a mechanism for monitoring gas and home heating fuel prices in the months ahead.

[*Translation*]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Let us talk about transparency, Mr. Speaker. For the past five years, the Bloc Québécois has been asking that the powers of the Competition Bureau be increased to enable it to investigate extensively in the petroleum sector and take action, as required. This bureau's president himself testified before the committee that he lacked the necessary power to take effective action.

*Oral Questions*

Will the government undertake today to amend Bill C-19 so as to provide the Competition Bureau with the effective tools and the powers it needs to act with regard to the petroleum sector?

[English]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I hope the opposition supports Bill C-19. If we can amend and improve Bill C-19, we certainly will consider that.

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**SOFTWOOD LUMBER**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, my question is for the Prime Minister, who has been on holiday far too long when it comes to defending the Canadian economy. Across the country people, communities and businesses are hurting because of George Bush's attack on our softwood industry. People have had it with the all talk, walk away from the talks but do nothing attitude of the government when it comes to standing up for Canada. People want a government that stands up for Canada in these trade disputes.

When will the Prime Minister finally stand up and tell George Bush that Canadians have had enough with his trade attacks?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the Canadian government has made it very clear that NAFTA is not an agreement to be ignored simply when American domestic interests demand it. This is an international agreement signed between two sovereign powers. Canada has won every single panel decision on the way up to the extraordinary challenge decision that was given earlier this summer. We have said, and I repeat now in the House, that the Americans should live up to the agreement they signed both in spirit and in letter.

\* \* \*

●(1430)

**GASOLINE PRICES**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, that is the problem. It is all talk and empty rhetoric. What Canadians want to see is some action.

Let us turn to gas and energy prices because it is exactly the same situation. We have absolutely no action such as, for example, rules that would ensure energy efficiency so people could burn less. Instead, what they are doing is paying more.

When will the Prime Minister lay out a plan that will ensure Canadians can burn less and pay less for their own oil?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, for my department it is an extremely high priority to reduce demand for energy by measures that improve energy efficiency while at the same time increasing supply by measures that encourage alternative energy. In these two ways, over the medium term, we certainly will provide benefits to Canadians by reducing their dependence on oil.

\* \* \*

**JUSTICE**

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, across Canada there has been a rapid increase in marijuana grow operations and

crystal meth labs, destroying entire neighbourhoods. Along with the drug dealing is a marked increase in gun related violence.

How many more people need to die in our streets before the government decides to eliminate house arrest and impose mandatory prison sentences for drug dealers and violent gun crimes?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the government will be introducing legislation particularly with regard to combatting issues of conditional sentences and ensuring both that our streets are safe and that innocent victims are protected.

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, that is a promise the government has been making for 12 years. Social programs cannot work in drug and gun plagued communities unless the government is prepared to increase front line police resources and institute mandatory prison sentences for drug dealers, gunmen and other repeat violent offenders.

Will the minister commit today to eliminating house arrest for drug dealers and violent or repeat offenders and send them to prison so our children and our youth are safe?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we are committed to introducing every initiative to protecting our streets and innocent victims, not only with regard to conditional sentencing in matters of gun related crime. While we now have more mandatory minimums for gun related crimes than any other crime in the Criminal Code, save for murder, we are still looking at that matter with regard to any initiatives we can introduce in regard to protecting our streets and our victims. We would appreciate the co-operation of the opposition in that regard.

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, it has now been seven months since the four RCMP officers were killed near Mayerthorpe. The families want changes to the justice system that has failed them miserably.

Today they are calling for a complete review of the justice system. We cannot blame the judges, but legislators must send a clear message to the courts: serious crime deserves serious time.

Will the government commit to minimum sentences for serious drug and crime violations?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, together with the Minister of Health we rescheduled the whole question of crystal meth so we could attack it with enhanced sentencing in that regard. We have legislation before the House with regard to four new offences with enhanced penalties to combat the grow ops across the country. Where it is necessary we will introduce the required penalties in that regard.

*Oral Questions*

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, raising the maximums on crystal meth does not solve the problem when the minimums are not there.

Last week the RCMP officers raided another Quonset hut in Mayerthorpe and turned up 800 marijuana plants.

Marijuana and crystal meth are ruining lives and harming our communities, while criminals scoff at the law and laugh at our weak sentences. RCMP families see the dangers in the soft approach to marijuana in Bill C-17. They want it scrapped and so do we.

Will the government admit it was wrong and scrap the marijuana bill?

• (1435)

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we introduced the bill. That bill is now before the House and now before the parliamentary committee. We respect the role of the parliamentary committee, and that is where the bill now resides.

\* \* \*

[Translation]

**SERVICE CANADA**

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, faced with the sponsorship scandal, the federal government is not learning from its mistakes. The Prime Minister just appointed as head of Service Canada the very person who was in charge of the gun registry, another scandal involving nearly \$2 billion for which his government will soon have to answer.

How can the Prime Minister explain his choice in appointing such a mediocre manager as the head of Service Canada?

[English]

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, if anyone looks at the service Canada details, I think it is a fantastic story. It is about better service to more Canadians in more Canadian communities. In fact, we are expanding our points of service in the next couple of years from 300 to 600. Therefore, this is a great news story.

There are many layers of accountability factored in, including an advisory board, an office for client satisfaction and a service charter.

I am very proud to be associated with service Canada. It is a great news story.

[Translation]

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, we shall see if the Auditor General is as proud as the minister. She reviewed the administration of the program and concluded that the program was poorly managed. One of those responsible for this mismanagement is the person selected by the Prime Minister to establish Service Canada.

Can the minister justify such a poor choice? Has the minister not learned any lessons from the sponsorship scandal, to be appointing such an individual as the head of Service Canada?

[English]

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, it is providing better service to more Canadian communities. It is outstanding service delivery organization with a view toward continuous improvement. It has a service charter and an office for client satisfaction, all with a view to creating a culture of one stop service delivery and continuous improvement for Canadian services.

\* \* \*

[Translation]

**OFFICIAL LANGUAGES**

**Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Mr. Speaker, an invitation to tender by PWGSC for the EnerGuide program in Quebec has excluded a number of francophone bidders who relied on the French bid documentation to prepare their bid, when this version is not consistent with the English version that the department, obviously, used to award the contracts.

Does the Minister of Public Works intend to cancel this invitation to tender and relaunch the process so that there is no prejudice against francophone bidders?

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, public works is presently reviewing the bid documentation to ensure fairness to all in the evaluation process.

As a result of the recent RFP on this program, the department received 35 bids and issued 13 contracts to deliver the EnerGuide for housing service across the province of Quebec. Each winning bidder has an office in the province of Quebec and each is required to provide the service in the language of the homeowners choice.

Once again, we are reviewing the bid documentation process to ensure fairness and will be dealing with this appropriately.

[Translation]

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, curiously, complaints under the Official Languages Act have been filed, in the past, against two of the companies hired in the Outaouais region.

Is the example of poorly translated documentation at Public Works not proof that, although the Official Languages Act has been in effect for a number of years, it is not a very major concern to that department, and that francophones are paying the price?

*Oral Questions**[English]*

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, let me assure all members of the House that this is a tremendous priority for our government to ensure that translation services are delivered in a reasonable way, and that in fact accuracy in all our endeavours is guaranteed throughout the process. We are taking this very seriously. I can assure the hon. member and all members of the House that we are dealing with this quickly.

\* \* \*

●(1440)

**TECHNOLOGY PARTNERSHIPS CANADA**

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, today 15 companies in receipt of a Technology Partnerships Canada grant have directly violated the terms of their agreements. They have paid lobbyists large fees to help them secure money through this program. Despite the fact that they clearly violated the contract with the taxpayers of Canada, they still receive the balance of the TPC grant and the lobbyists may still be in possession of the money that they were given.

Why do companies that violate contracts with the Canadian taxpayer continue to receive public funds?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, we have been reviewing TPC for over a year now. We have done some administrative audits. We have discussed it with the Auditor General in terms of our approach. The Auditor General completely agrees with what we are doing and how we are doing it.

We are recovering any moneys that were inappropriately paid out to lobbyists. These are companies that are in breach of their contract. We are acting swiftly, firmly and with zero tolerance to fix the problem.

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, that is not true. The fact is that a company still gets the balance of the money that was given to it and lobbyists may in fact still have the money that was given to them by the company.

This is a program that spent over \$2.5 billion but has recovered only 5%. Now we know about companies breaching their contracts and lobbyists receiving illegal payments. When will the minister finally release the audits of this program and state to the House how much money has been received by lobbyists against the contracts of this company, and how much money taxpayers are on the hook for through this program?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, the hon. member knows that over 80% of the companies that benefit from technology partnerships are small and medium sized businesses. The government is not in the business of killing companies. We are in the business of helping them implement technology and where there has been a breach of contract, we want that breach remedied.

\* \* \*

**JUSTICE**

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, Mr. Coffin stole \$1.5 million from Canadians, a theft made possible by the systematic corruption in the Liberal government. The courts

sentenced Mr. Coffin to house arrest with a 9 p.m. curfew only on weekdays. That is pathetic enough, but this sentence is a direct result of changes made to the justice system by the Liberal government where it allows criminals to serve jail sentences at home in their living rooms.

Liberal laws and our justice system are failing Canadians every day. When is the government going to change them?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, this is not an issue of the law. This is a decision made by a judge. The laws are there for the purposes of any kind of penalty that a judge wishes to impose at this time.

*[Translation]*

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, Paul Coffin defrauded Canadians out of \$1.5 million. For this crime, he got a mere two years of house arrest. Even Martha Stewart spent time in jail.

In Canada, our liberal laws have failed Canadians and helped the friends of the Liberal Party. Is this the Liberal concept of justice?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, this case is now before the courts. The provincial Crown is responsible for taking the necessary action.

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**INTERNATIONAL AID**

**Mr. David Smith (Pontiac, Lib.):** Mr. Speaker, Canada has always led the way in the international debate on debt relief for the poor countries, particularly those in sub-Saharan Africa. In June, Canada took part in the meeting of the G8 countries at which agreement was reached to wipe out the combined debt of the 18 poorest countries, totalling \$40 million. This week, the G8 announced that it would be writing off the debt of at least another 18 poor countries, bringing the total to over \$55 billion.

Could the Minister of Finance explain the details of this agreement to us?

**The Speaker:** The Minister of Finance.

*[English]*

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, international debt relief is an idea that Canada has championed in the world when the Prime Minister was Minister of Finance.

*Oral Questions*

This past weekend the IMF and the World Bank board of governors approved the idea. The principles that they were operating on were principles that were initially defined by Canada. It amounts to debt relief for the poorest countries of the world totalling some \$50 billion U.S. I am very pleased to say that a large part of the amount expected from Canada was provisioned in our budget in February. We will be the first out of the gate to respond to this international debt relief.

\* \* \*

• (1445)

**CANADIAN BROADCASTING CORPORATION**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the CBC lockout has been going on for six weeks and the only thing we have heard from the heritage minister is radio static. This is not about a labour dispute. It is about the government's lack of vision, the government's indifference to a fundamental Canadian institution, and most of all, the minister's unwillingness to stand up and fight for a coherent broadcast policy for Canadians.

My question is simple. Will the minister hold CBC management to account and insist on the delivery of services that Canadians have already paid for?

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, I am happy to report to the House that I have met with the decision-makers for both CBC and the union. In fact, they are in my office this very moment trying to put together an agreement which hopefully will make the CBC stronger and give Canadians what they want. We are working to ensure that labour and management can come up with a solution to bring these two parties together.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, that pretty much sums it up. The heritage minister cannot even stand up and talk about policies. Someone else has to do it.

[Translation]

Across Canada, Radio-Canada is the only service to the francophone community. By keeping quiet, the Minister of Canadian Heritage is holding the French-speaking people of Saskatchewan, Acadia and Northern Ontario hostage. This is unacceptable.

When is the minister going to do something?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, there is a dispute between management and the union. First, they are now in the process of trying to reach a joint agreement, and second, I would remind the hon. member that we have maintained the funding for CBC—Radio-Canada, and have added \$60 million. I would ask them where they were when Bill C-48 was passed. Was there money in it for culture? No. For CBC—Radio-Canada? No. So we are doing our duty and do not need any lectures.

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[English]

**INCOME TRUSTS**

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, by cancelling advance tax rulings on income trusts the finance minister is endangering the financial security of millions of Canadians, especially seniors. With the minister's announcement, Canadian

businesses lost billions of dollars in market capital in one day and thousands of dollars were shaved off personal nest eggs of Canadians.

Why is the minister attacking all Canadians and especially seniors with his reckless behaviour on income trusts?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the conduct is anything but reckless. The government has indicated that we wish to have a consultation to develop policy options with respect to these matters. It is very important that the consultation be conducted in a rational manner. Therefore, we have taken the steps that we have. We intend to complete the consultation as quickly as possible and respond with the right policy response.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, not only is the finance minister attacking investors with his erratic behaviour on trusts, but now he is re-breaking his promise to reduce the tax load on Canada's largest employers.

Today the finance minister confirmed that he is being called to heel by the leader of the NDP. He has announced he is re-breaking his commitment to cut taxes for large employers. How can he do that when he claims that raising productivity is one of his many number one priorities?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, we really cannot trust members of the opposition. Last spring they were supporting the budget until about April 21. There was a sudden blip in the polls. It did not amount to much and it did not last very long, but it set off this huge surge of Conservative electoral hormones. All the blood rushed from their heads. The Conservatives lost their judgment and they tried to kill the very budget that they now pretend to defend.

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**SOFTWOOD LUMBER**

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, the finance minister must be feeling increasingly lonely in Saskatchewan. It is 46 days and counting since the Prime Minister promised the Premier of B.C. that he would call President Bush to discuss the softwood lumber dispute.

The Prime Minister has dithered and delayed, despite the long anticipated win for Canada. The Prime Minister had no problems discussing softwood with the Chinese Premier, but is yet to raise the issue with the U.S. President.

Why did the Prime Minister blow the opportunity to call immediately after the ruling? Why has he wasted the last six weeks?

*Oral Questions*

●(1450)

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, let me assure members that we are taking all steps possible to ensure that the NAFTA is respected. This includes litigation, retaliation and enhanced advocacy. The NAFTA must be respected.

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, the minister is refusing to engage in what has really happened here, which is a promise made and a promise broken. We have an industry completely deflated by the lack of government action after over \$300 million in legal costs incurred by the Canadian side.

The Prime Minister is refusing to appoint a new minister of natural resources. By appointing a temporary minister, who is splitting his duties, the Prime Minister is showing his disregard for the critical natural resources sector of the economy.

Why is the Prime Minister putting politics before—

**The Speaker:** Order, please. Everyone likes to hear the government House leader, but we will not be able to with all this noise. We have to be able to hear the hon. minister.

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the premise of the hon. member's question is completely wrong.

The government has been fighting for softwood right from the inception. It will continue to do so through the acting minister of natural resources, through the international trade minister, through the Prime Minister, and through this cabinet. We are fighting through every member of this caucus for softwood, while the opposition continues to play politics.

We look forward to finding a solution to this problem that includes the United States respecting the NAFTA agreement.

\* \* \*

[Translation]

**CANADIAN BROADCASTING CORPORATION**

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, we are aware that the Minister of Labour met this morning with CBC representatives and staff, who are the victims of a lockout, and with the president of the corporation. This is more than just a labour dispute, because the CBC's desire to increase the number of temporary jobs is a direct threat to journalistic independence.

Did the minister take advantage of this morning's meeting with both parties to remind CBC management that creating precarious employment is unacceptable?

[English]

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, as I indicated before, both parties are willing to negotiate. They are in fact negotiating at this moment.

I will be meeting with both parties after question period to find out what success they have made to date. We are determined to ensure that they are at the table to make the necessary compromises with regard to the issues at hand and let the collective bargaining process work.

The government is there to assist them. They are willing to negotiate and willing to make the compromises necessary. We are hopeful about this state of events.

[Translation]

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, does the Minister of Canadian Heritage realize that the outrageous increase in precarious employment the CBC has in mind will, in the short term, threaten journalistic independence and the very principle of the public's fundamental right to objective and quality information?

[English]

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, I do not understand what they do not understand over there.

The parties are at the table. They are trying to negotiate through these particular issues. That is what we want. We want to bring both parties to the table. We have had them there for the past three weeks. I have them in my offices right now. They are working hard to resolve these issues, and hopefully that is what we all want to happen.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Speaker, the Liberal government has done nothing to implement its impossibly conceived campaign promise to boost the armed forces by 8,000 troops.

Just like its improbable five year budget increase, the government is planning for a troop increase that is scheduled to begin three years from now. The last time I checked, the Prime Minister promised an election within six months. This is just another election promise without action.

The armed forces are desperately overstretched and overworked. They need more than rhetoric. Why will the government not fulfill its promise to the forces?

●(1455)

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I wish the hon. member had spent the summer as I did, going around talking to the members of our armed forces, who are extremely grateful to the government for stepping forward and putting into place a defence policy they respect, a new chief who is inspiring them and money to get them in the budget. We are recruiting members and the morale is higher than it has ever been before.

I hate to disappoint the hon. member, but we are going in the right direction and he knows it, so I would not play politics with this one. This government is delivering for our armed forces in a way nobody has in this country for years.

### Oral Questions

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Speaker, that is fiddle-faddle. DND is one of the most bureaucratic departments of government. It spends most of its time supporting endless administrative processes. That is why DND is having such difficulty meeting the Liberals' impulsively conceived recruiting goal. The training and recruiting system is simply constipated.

Other than issuing a costly report talking about what needs to be done, the Liberals have actually done nothing to achieve administrative efficiency. How can the government hope to meet its recruiting goal without slashing the red tape at DND?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, the hon. member has not been in the House long enough to remember that another hon. member in this House said fiddle-fuddle, not fiddle-faddle, but as you may recall, that called for more interference from the Chair so I hesitate to go in that direction.

I do want to say that I will go back to where I came from in the first place. I urge the hon. member to talk to the troops. They believe we are on the right track. Of course we have problems. Do we need to speed it up? We will speed it up. Can we do better? We will do better. We are on the right track. I am proud to be the defence minister and I am proud to lead our troops as we go ahead.

\* \* \*

### INFRASTRUCTURE

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, on Friday past, along with my colleague from Sydney—Victoria, I was delighted to welcome the Prime Minister and the Minister of State for Infrastructure and Communities to Cape Breton for the signing of the Nova Scotia federal gas tax agreement. The excitement and expectation shared by provincial and municipal partners was obvious and much anticipation is now held by all Nova Scotians.

Could the minister of state please tell the House what benefits the gas tax agreement will bring to the people of Cape Breton and indeed all of Nova Scotia?

**Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.):** Mr. Speaker, the deal we signed last Friday will provide over \$145 million in five years to Nova Scotia. Those municipalities will be able to use the money for clean water, for waste water, for waste management and for all of their infrastructure needs.

Let me quote the former president of the Federation of Canadian Municipalities, the mayor of New Glasgow, who said to the Prime Minister as we signed the deal, "Thank you for your vision. Thank you for recognizing the needs of Canada's communities..."

\* \* \*

### AUTOMOBILE INDUSTRY

**Mr. Colin Carrie (Oshawa, CPC):** Mr. Speaker, the auto industry is the largest manufacturing industry in this country, employing hundreds of thousands of Canadians. Ford and Chrysler have already negotiated unprecedented job cuts and plant closings. A strike is possible at General Motors.

Last Christmas, the industry minister promised an auto strategy within two weeks. In the spring he told us that he was just putting on the finishing touches. Where is this elusive auto strategy?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, we have been working in partnership with the industry. There is a document that the Canadian auto partnership group put out, called a visions document. I am prepared to go to the industry committee at any time it is convenient to the committee and give a full presentation on auto, aerospace and several other sectors as well.

**Mr. Colin Carrie (Oshawa, CPC):** Mr. Speaker, this is the largest manufacturing industry in the country and all it is getting is empty promises.

Canadian workers are now paying the price for Liberal inaction. When will the government wake up and realize that the price of inaction is the loss of thousands of auto jobs in this sector?

● (1500)

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I really find it difficult to live with this kind of foolishness. The auto sector all over the world and all over North America is going through wrenching adjustments.

Here in Canada, the auto sector is actually doing relatively well. In fact, the Canadian Auto Workers have increased by 28,000 workers over the last few years. We have put \$355 million into attracting assembly plants here in Ontario and we have levered that into over \$4.5 billion in investment, so the member is all wet.

\* \* \*

[Translation]

### OLDER WORKERS

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, when I was touring the regions of Quebec this summer, all the workers I met were expecting the government to take the necessary steps to follow up on the unanimous vote by the members of this House to implement income support measures for older workers who have been subject to mass lay-offs.

What explanation does the government have for not yet acting on the unanimous decision taken by the House of Commons this past June 14 as the result of a vote?

[English]

**Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.):** Mr. Speaker, there has been follow-up. The department is working with the province of Quebec in particular and with other provinces and numerous departments to develop a strategy for older workers. That includes temporary income support measures.

### FISHERIES

**Mr. Todd Norman Russell (Labrador, Lib.):** Mr. Speaker, the shrimp fishery of Newfoundland and Labrador is very important to my constituents and to the men, women and families who depend on it for a livelihood, but European tariffs on shrimp continue to harm this vital industry. Will the Minister of International Trade tell the House what actions the government has taken against these tariffs?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, I would very much like to thank the member from Labrador for his important question. I commend him and his colleagues from Newfoundland and Labrador for making this a priority issue.

Since December 2004 I have raised this issue repeatedly with the EU trade commissioner and our EU counterparts. I have met with the shrimp industry in Newfoundland. My officials have ongoing meetings with the Fisheries Council of Canada and the Association of Seafood Producers. In addition, I have instructed our EU trade commissioners to make it a priority issue to get those shrimp into Europe.

In the WTO, we are working through the NAMA provisions on a sectoral basis to try to create free trade in fisheries. I spoke with an EU official this morning and I will be meeting with the premier and the fisheries minister this afternoon.

\* \* \*

[Translation]

### CHILD CARE

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the federal government reached an agreement on child care with six provinces, but it is still dragging its feet with regard to Quebec, by seeking to subject it to Canada-wide standards.

Quebec's minister for intergovernmental affairs, Benoît Pelletier, was extremely clear when he said, "This is not negotiable; we will not budge one iota".

Yet, the Prime Minister had said, in the last election, that Quebec would be able to get its cheque with no strings attached. What explanation does the Prime Minister have for the fact that he is now reneging on his election promise?

[English]

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as I have said in the House many times before, we have been very respectful of the jurisdiction of all the provinces, including the province of Quebec. We have been very respectful of the position it holds in terms of childcare in this country and also in terms of Quebec being an inspiration for the program that has been introduced. Our negotiations are ongoing.

What the hon. member should know is that the money has flowed for this first year through a trust fund, so the people of Quebec and the government of Quebec are receiving their money even in advance of any deal that would be signed.

\* \* \*

### PRESENCE IN GALLERY

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of His Excellency Sharif Hassan

### Tributes

Sheikh Aden, Speaker of the Transitional Federal Parliament, Somali Republic.

**Some hon. members:** Hear, hear!

**The Speaker:** I would also like to draw to the attention of hon. members the presence in the gallery of His Excellency K. Natwar Singh, External Affairs Minister of the Republic of India.

**Some hon. members:** Hear, hear!

\* \* \*

● (1505)

### HON. JAMES JEROME

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we were all saddened this summer by the passing of the former Speaker of the House of Commons, the Hon. James Jerome.

[Translation]

Mr. Jerome was an exceptional MP and Speaker of the House and an inspiration to Canadians.

[English]

Mr. Jerome was first elected to the House of Commons for the electoral district of Sudbury in the general election of 1968. He was re-elected in 1972, 1974 and 1979. He served as Parliamentary Secretary to the President of the Privy Council and as Leader of the Government in the House of Commons from 1970 to 1972.

During the minority Parliament elected in 1972, he served as chair of the Standing Committee on Justice and Legal Affairs, a position in which he distinguished himself as a fair and impartial arbiter in a difficult and contentious committee.

Following the 1974 election, he was a natural and a popular choice to be chosen Speaker of the House. He was returned as Speaker following the election of 1979, becoming the first Speaker in history to be chosen from the opposition side of the House.

As Speaker, Mr. Jerome was responsible for a number of important innovations. First and foremost, it fell to him to preside over the introduction of the televising of the proceedings of the House. His pioneering guidance became the standard on which many other legislatures based their subsequent introduction of broadcasting, including the United States Congress and the British House of Commons.

Mr. Speaker Jerome also initiated the modernization of the administration of the House of Commons. Among his most enduring contributions was the development of the House of Commons page program.

Following the dissolution of Parliament in 1979, Mr. Jerome was appointed Associate Chief Justice of the Federal Court of Canada, where he served with distinction until his retirement.

Mr. Jerome is fondly remembered, not only for his wisdom and impartiality, but also for his warmth and unfailing good humour, good humour which contributed greatly to making Parliament more effective and, perhaps more importantly, more civil.

*Tributes*

To his wife Barry and his children and grandchildren, we offer our sympathies on their loss and our thanks for sharing him with us.

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, on behalf of the Conservative Party of Canada and my leader, I would also like to pay tribute to the Hon. James Jerome who passed away this summer.

Mr. Jerome was born in Kingston in 1933 and studied law at Osgoode Hall in Toronto. He later opened a legal practice in Sudbury where he served on that city's council.

Mr. Jerome served as Speaker of the House of Commons from 1974 to 1979. The House of Commons at the time obviously felt then, as it does today, that a lawyer born in Kingston would make a pretty good Speaker.

I never met Mr. Jerome although as a House leader I have come to know former Speakers through their various rulings which are very important to the evolution of the rules of the House of Commons.

Mr. Jerome was the first Speaker to serve during the reign of two governments of different political stripes and the first opposition member to preside over the House. This reflected his reputation as an impartial chair, a reputation that was cut at the committee level when he was chair of the Standing Committee on Justice and Legal Affairs. The committee dealt with highly controversial bills, including abolition of capital punishment and wiretap legislation. He managed to keep the respect of all parties as he stickhandled his way through procedural disputes.

When Prime Minister Trudeau asked James Jerome to become Speaker in 1974, he neglected to consult the leader of the opposition before making his nomination. As a result, the official opposition refused to second the nomination. Mr. Stanfield emphasized, however, his quarrel was with the government and not with the Speaker who he said had his party's full support.

Here we have another similarity to the other Speaker from Kingston. As you may recall, Mr. Speaker, one of your appointments as chair occupant was opposed by the opposition as well. In fact, the government was forced to invoke closure. As with Mr. Jerome, the opposition's quarrel was with the government and not the deputy speaker who also enjoyed their full support.

Mr. Jerome's most significant change to the House of Commons, as we just heard, was bringing in television coverage in 1978, something most of us today take for granted. He had to establish rules for broadcasting and eventually they were copied by other parliaments around the world.

While very few of us get the privilege of presiding over this House, there is one privilege we can all share with Mr. Jerome and that is the privilege of serving our constituents.

Mr. Jerome represented the people of Sudbury, first elected as their member in 1968 and re-elected in subsequent elections, his political career only ending when he decided not to run in 1980.

He went on to be appointed in 1980 to the post of Associate Chief Justice and Head of the Trial Division of the Federal Court where he served for some 18 years.

Mr. Jerome served this House with competence and impartiality. He served his constituents with dedication and his country with commitment.

Mr. Jerome's contributions to the House will be remembered and appreciated for many years to come.

On behalf of the Conservative Party, I extend my heartfelt condolences to Mr. Jerome's family and his many friends.

● (1510)

[*Translation*]

**Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ):** Mr. Speaker, it is always a very touching moment when we honour someone who has sat here, in this House, and who has devoted much of his life and professional career to the service of his fellow citizens.

Not only was Mr. Jerome a former member of this House but he also had an impressive legal career. He was seen by everyone as impartial when he sat in the chair that you now occupy, Mr. Speaker.

He was in fact remarkably impartial. This is a trait that everyone here respects in the Speaker of the House of Commons.

He was evidently a fair and impartial man. He was someone who had the courage, in 1973, when he was just the chair of a committee, to turn down an amendment that was proposed with government support but that was contrary to the laws and regulations in effect and would have limited the role of a parliamentary committee.

For this act alone, an act of courage if there ever was one, I think that Speaker Jerome will be remembered as a great Speaker and a fair-minded person. We will remember him not only as a jurist, judge, member of Parliament serving his fellow citizens, and Speaker of this House but also as an impartial human being, the father of a family and a husband who made a very positive mark.

On behalf of the Bloc Québécois, I would like to pay my respects to the members of his family, his friends, and all those who knew him and had the good fortune to work with him.

● (1515)

[*English*]

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, on behalf of the NDP caucus, I am pleased to join with my colleagues from other parties in giving thanks for the life and work of the former Speaker of the House, James Jerome.

We pay particular tribute to his contribution to this House and to his distinguished ability as Speaker.

*Routine Proceedings*

As one of the few left who sat in the House while Speaker Jerome was in the chair, I can certainly attest to his capacities in that role and to the respect which he enjoyed on both sides of the chamber from those who had longer experiences of his leadership in the House. Thanks to the peculiar dynamics of the minority Parliament of 1979, I had a short-lived experience of Speaker Jerome. I certainly remember my first question. I asked it of a future Speaker of the House, John Fraser. When I got what actually passed for an answer from the minister, I was denied a supplementary.

I say this by way of harkening back to a parliamentary culture, symbolized by Speaker Jerome who was the last Speaker to enjoy the benefits of such a culture, in which the Speaker felt free to exercise more discretion and individual judgment over who was to be recognized and who was not and in what context. Speaker Jerome certainly exercised that judgment with much wisdom, humour and discernment. In doing so, he served Canadian democracy and the institution of Parliament with great distinction.

We hope that the memory of the esteem in which he was held will be comfort to his family and we express our sincere condolences to them.

**The Speaker:** I wish to advise hon. members that I had the honour of representing this House at the funeral of the hon. James Jerome during the summer. I had the opportunity to meet with some members of the family on that occasion.

I am delighted that members have chosen to have this tribute to such a distinguished Canadian. I now invite hon. members to rise for a moment of silence out of respect for our former Speaker.

*[A moment of silence observed]*

\* \* \*

**BUSINESS OF SUPPLY**

## SPEAKER'S RULING

**The Speaker:** As hon. members know, the Standing Orders set out the number of supply days in each supply period. The Standing Orders also set out for the Speaker a formula for calculating the addition of supply days when the House sits on days it is not scheduled to sit and another formula for subtracting supply days when the House does not sit on days when it is scheduled to.

We find ourselves in the unusual situation where both formulae could be applied.

*[Translation]*

Since the end of the last supply period, that is June 23, the House has sat two additional days, namely June 27 and 28.

*[English]*

Similarly, the House, in resuming its sittings today, did so five sitting days later than usual.

The Chair has decided to view this as a net reduction of three sitting days for this supply period. According to the formula contained in paragraph (b) of Standing Order 81(10), a reduction of three sitting days is insufficient to cause a reduction in the number of supply days.

Accordingly it is my duty to inform the House that pursuant to Standing Order 81(10) a total of seven days will be allotted for the supply period ending December 10, 2005.

\* \* \*

**REPORT OF CHIEF ELECTORAL OFFICER**

**The Speaker:** I have the honour to lay upon the table the report of the Chief Electoral Officer of Canada on the administration of the Labrador byelection held on May 24, 2005.

*[Translation]*

This document is deemed to have been permanently referred to the Standing Committee on Procedure and House Affairs.

**ROUTINE PROCEEDINGS**

● (1520)

*[English]*

**GOVERNMENT RESPONSE TO PETITIONS**

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

\* \* \*

*[Translation]*

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I have the honour to present the 45th report of the Standing Committee on Procedure and House Affairs, concerning the work of the Subcommittee on Private Members' Business.

*[English]*

Pursuant to Standing Order 91.1(2), this report contains the list of items added to the order of precedence under private members' business on June 17 that should not be designated non-votable.

**The Speaker:** Pursuant to Standing Order 91.1(2), this report is deemed concurred in.

\* \* \*

**CRIMINAL CODE**

**Hon. Bill Graham (for the Minister of Canadian Heritage and Minister responsible for Status of Women)** moved for leave to introduce Bill S-37, An Act to amend the Criminal Code and the Cultural Property Export and Import Act.

*Routine Proceedings*

(Motion agreed to and bill read the first time)

\* \* \*

**SPIRIT DRINKS TRADE ACT**

**Hon. David Emerson (for the Minister of Agriculture and Agri-Food and Minister of State (Federal Economic Development Initiative for Northern Ontario))** moved for leave to introduce Bill S-38, An Act respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries.

(Motion agreed to and bill read the first time)

\* \* \*

**PETITIONS**

## CANADIAN NATIONAL RAILWAYS

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Mr. Speaker, this petition is presented on behalf of the many concerned citizens in Biggar and surrounding communities who are deeply troubled about the proposed closure of the Biggar CN terminal by Canadian National Railways.

The increase in shift times, travel times and deadline pressure on train crews is especially troubling. Moving the terminal to Saskatoon would remove the safe rest location and increase the likelihood of fatigue related accidents. After CN's disastrous accident prone summer, this is a terrible move.

Once again, CN's respect for rural Canadian communities and its employees is being blatantly shown. I totally support the affected communities and the CN employees. Therefore, I present this petition on their behalf.

## MARRIAGE

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker, I am proud to present a petition on behalf of the constituents of Viking, Alberta on marriage.

The petitioners acknowledge that marriage is the best foundation for families and for the raising of children and that the institution of marriage as being between a man and a woman is being challenged. They acknowledge that the House decided in 1999 that marriage should remain a union between a man and a woman.

They therefore petition Parliament to reinstate marriage as the union of one man and one woman.

• (1525)

## CANADIAN BROADCASTING CORPORATION

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I rise in the House today to present a petition from hundreds of Canadians who recognize that the CBC, our public broadcaster, is fundamental to the cultural identity of Canada.

The petitioners are very concerned that the CBC management locked out 5,500 employees on August 15. They point out that those employees want to return to work to provide Canadians with high quality, made in Canada programs that we have come to expect on the CBC.

They call upon Parliament to direct the Minister of Labour to immediately order CBC to end the lockout of their employees and restore regular programming. We certainly hope that is the case.

## CITIZENSHIP AND IMMIGRATION

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, it is a great honour to present a petition today, the first of many I will present to the House, calling upon Parliament to immediately enact legislation to grant automatic citizenship to those minors adopted from other countries by Canadian citizens, with this citizenship being immediately granted upon the finalization of the adoption.

It is an illogical and inefficient use of federal resources to add these adopted infants and children to the tremendous backlog of citizenship applications yet to be processed. This summer, the Minister of Citizenship and Immigration promised to introduce legislation to grant automatic citizenship to children adopted from other countries.

Therefore, on behalf of these petitioners from Victoria, Vancouver, Salmo, Castlegar and other communities in British Columbia, I call upon him to do so as soon as possible and remove this undue burden upon adoptive parents.

## CANADIAN BROADCASTING CORPORATION

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, this afternoon I am honoured to table a petition signed by hundreds of B. C. residents, including folks from my own riding of Burnaby and from Vancouver and New Westminster. These folks appreciate the huge contribution made to Canada by locked out CBC workers and know that the CBC is fundamental to our experience and understanding of Canadian identity. They call on the government to act immediately and decisively to end the lockout of CBC employees.

## MARRIAGE

**Mr. Randy White (Abbotsford, CPC):** Mr. Speaker, I have petitions here asking Parliament to define marriage in federal law as the lifelong union of one man and one woman to the exclusion of all others.

## CARLEY'S LAW

**Mr. Randy White (Abbotsford, CPC):** I have many more petitions, Mr. Speaker, asking that Parliament assemble to vote in favour of Bill C-275, an act to amend the Criminal Code (failure to stop at scene of accident), to make sentencing for hit and run offenders more severe. Bill C-275 is long gone and was voted down but will re-enter the House.

## MARRIAGE

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have received a petition that I am pleased to present to the House. It is from a number of constituents in my riding of Mississauga South and it is on the subject matter of marriage, notwithstanding that we have already disposed of Bill C-38. The petitioners want to draw to the attention of the House the fact that they do not believe marriage is an institution that does not implicate human rights, that it is the best social unit for the purpose of creating and nurturing the next generation of children, and that they are concerned Bill C-38 will weaken the institution of marriage and will have unforeseen, profound and negative ramifications for children.

The point of their petition is to encourage the government to ensure that the impact on our children as a consequence of changing the definition of marriage is monitored and to ensure that there are no adverse circumstances as a result of that change.

\* \* \*

[Translation]

## QUESTIONS ON THE ORDER PAPER

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the following questions will be answered today: Nos. 153, 156, 161, 163, 164, 167, 169, 170 and 173.

[Text]

Question No. 153—**Mr. Brian Pallister:**

For the years 1994 to 2004, were any contracts awarded by VIA Rail Canada to the following companies: Lafleur Communications, Groupaction, Group Everest, Media I.D.A. Vision Inc., Tremblay Guittet Communications, Gosselin, Vickers and Benson, BCP Group Ltd., Gervais, Gagnon, Covington and Associates, La Groupe Polygone, EKOS and Earncliffe, and if so, (i) what contracts were awarded, (ii) what was the date of the contracts, (iii) what were the amounts of the contracts, (iv) what were the contracts for, (v) what was the name of the supplier, and (vi) for each contract awarded, was the contract awarded via an open competition or was it sole sourced?

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, with respect to sponsorship, VIA Rail Canada Inc. (VIA) is routinely solicited by event organizers and agencies who manage events in various locations across Canada. Criteria used to determine whether VIA will sponsor events are a function of the location of the event, what other communication activities VIA has planned to coincide with the event in question, and whether the target audience for the event is consistent with VIA's target market.

For the years 1994 to 2004, VIA entered into sponsorship agreements with the following companies:

Crown Corporation	Source	Value	Date of Contract	Rationale and Procurement Method
VIA Rail Canada Inc.	Groupaction Gosselin Strategic Communications Inc. on behalf of the Government of Canada	\$75,000+tx	January 22, 2001	VIA's sponsorship portion of the 2001 Canada Snow Sculpture Competition.

## Routine Proceedings

VIA Rail Canada Inc.	Gosselin Public Relations Inc.	\$75,000+tx	January 31, 2002	VIA's sponsorship portion of the 2002 Canada Snow Sculpture Competition.
VIA Rail Canada Inc.	Everest Commandites (G.E.C.M.) Inc.	\$215,000+tx	March 4, 2002	VIA's sponsorship portion of the 2002 Les Mercuriades gala (l'Association des Chambres de Commerce du Québec mandated Everest for the organization of the event).
VIA Rail Canada Inc.	Everest Publicité Promotions Inc.	\$75,000+tx	March 25, 2003	VIA's sponsorship portion of the 2003 Les Mercuriades gala (l'Association des Chambres de Commerce du Québec mandated Everest for the organization of the event).
VIA Rail Canada Inc.	Everest Commandites (G.E.C.M.) Inc.	\$35,000+tx	July 28 2000	VIA's sponsorship portion of the Mission Sydney program.
VIA Rail Canada Inc.	Everest Publicité Promotions Inc.	\$15,000+tx	July 23, 2003	VIA's sponsorship portion of "La Grande Fête des Enfants 2003".

With respect to joint advertising programs, the Canadian Tourism Commission (CTC) has a mandate to develop tourism industry-wide advertising programs to encourage Canadians and citizens of selected foreign countries to visit Canada. The CTC develops these programs and solicits industry participation through its advertising agencies. Up until 2003, the agencies for the CTC were Vickers & Benson and BCP Group Ltd.

VIA issued multiple purchase orders to participate in the industry-wide program, along with other companies in the tourism industry, as follows:

VIA Rail Canada Inc.	BCP, advertising agency for Canadian Tourism Commission	\$1,001,582	Multiple purchase orders	Joint advertising programs with the Canadian Tourism Commission (1999-2003).
VIA Rail Canada Inc.	Vickers & Benson	\$811,008	Multiple purchase orders	Joint advertising programs with the Canadian Tourism Commission.

With respect to contracts for communication services, VIA entered into a contract with Publicité Martin following a competitive tender process and an agency review. Publicité Martin subcontracted work to Lafleur Communication Marketing.

VIA Rail Canada Inc.	Lafleur Communication Marketing (1994-2004)	\$23,283,368 (Multiple projects)	January 1, 1997	Advertising agency of record. Contract awarded to Publicité Martin following an agency review/tender process, effective July 1, 1987. Publicité Martin sub-contracted to Lafleur Communication
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*Routine Proceedings***Question No. 156—Ms. Jean Crowder:**

With regard to the re-evaluation by the Pest Management Regulatory Agency of 2,4-D for use on lawns and turf: (a) what is the specific process used to evaluate this pesticide, including any deliberations on why it was completed ahead of the new, stronger regulations for the Pest Control Products Act of 2002 being promulgated; (b) how closely was the Canadian Environmental Protection Act followed, specifically, what analyses were provided regarding dioxins with two or more chlorine atoms that may contaminate 2,4-D during the lifetime of the product; (c) what studies looked specifically at the effect on the elderly and on children; and (d) has the Pest Management Regulatory Agency issued a second Information Note retracting the statement “that 2,4-D can be used safely on lawns and turf” as suggested by the chair of the Standing Committee on Health?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the response is as follows:

(a) Health Canada’s Pest Management Regulatory Agency (PMRA) committed to undertake a priority review of the turf uses of 2,4 D and other lawn care pesticides as part of its “Action Plan on Urban Use Pesticides”, announced in 2000 by the Minister of Health in response to public concerns regarding the safe use of these products in urban settings. The publication “Action Plan on Urban Use Pesticides” ([http://www.pmra.arla.gc.ca/english/pdf/hlawns/hl\\_ActionPlan\\_e.pdf](http://www.pmra.arla.gc.ca/english/pdf/hlawns/hl_ActionPlan_e.pdf)) includes additional details of the plan.

PMRA’s general re evaluation process is outlined in the publication “PMRA Re evaluation Program” (DIR2001 03). The scientific assessment of 2,4 D would not have differed if it had been completed under the new Pest Control Products Act. Health Canada’s Pest Management Regulatory Agency has been routinely using the modern risk assessment methods enshrined in the new Act in its current reviews of both new and older chemicals. These modern risk assessment methods include an aggregate assessment that takes into account pesticide exposure from all sources, including food, water and pesticide use in homes and schools, and considers cumulative effects of pesticides that act in the same way. Also, the sensitivities of vulnerable groups such as infants and children are considered, and extra safety factors are applied to protect children.

PMRA’s assessment was conducted by its highly qualified scientists. The re evaluation of lawn and turf uses of 2,4 D was based on a comprehensive review of the considerable information available on 2,4 D, including:

1. an extensive proprietary database including laboratory animal studies to determine potential health effects and studies that examine potential effects on the environment;
2. published scientific information; these include reports, epidemiological studies and all other relevant scientific information published in scientific journals and other publicly available documentation;
3. foreign reviews results of other countries scientific assessments of 2,4 D including the United States, the European Union, New Zealand and the World Health Organization; and,
4. use pattern information collected by the PMRA

The broad range of scientific information examined by the PMRA included relevant data utilized by non regulatory groups, such as the Ontario College of Family Physicians in their April 2004 report. That report focussed on a subset of epidemiology studies from the public literature, but the authors did not have all available data to conduct a human health risk assessment. The examination of animal toxicity data from internationally accepted guideline studies using doses well above those to which humans are typically exposed to, combined with exposure data obtained from well designed studies, is currently the best methodology available for assessing risks to human health.

For 2,4 D, external experts were also asked to comment on various aspects of PMRA’s review in order to provide a broader perspective on the assessment than the usual internal review process. This 5 member science advisory panel included experts in their fields of epidemiology, exposure assessment, human toxicology, and environmental toxicology. The Ppnel generally agreed with the PMRA’s assessment. A summary of the panel’s findings and recommendations was included in the public consultation document “Proposed Acceptability for

Continuing Registration” (PACR2005 01), Re evaluation of Lawn and Turf Uses of (2,4 Dichlorophenoxy) acetic Acid [2,4 D]”.

The PMRA will carefully consider the numerous comments received in response to PACR2005 01, revise the assessment as required, and communicate the final decision to the public in a re-evaluation decision document as soon as the process is completed.

(b) As part of the re evaluation of the lawn and turf uses of 2,4 D, the PMRA took into account the toxic substances management policy and followed its Rrgulatory directive DIR99 03. The former is the federal government policy that directs the determination and management of Track 1 substances (chemicals that are toxic, persistent, bioaccumulative and anthropogenic) and is consistent with the Canadian Environmental Protection Act. Polychlorinated dioxins substituted in at least the 2,3,7,8 positions are track 1 substances.

In 1982, Agriculture Canada’s Pesticide Division (now Health Canada’s PMRA) had randomly collected from the marketplace forty one (41) 2,4 D amine end products and seventeen (17) 2,4 D ester end products for testing of dioxins. Of these fifty eight (58) samples, only six 2,4 D amines and one 2,4 D ester end products were contaminated with either dichlorodioxin or trichlorodioxin at levels marginally higher than 10 ppb (parts per billion parts of 2,4 D), the production limit established in Agriculture Canada’s Pesticides Division Trade Memo R 1 216 published in April 15, 1983. 2,3,7,8 TCDD was not detected at limit of detection of 1 ppb. To demonstrate that today’s products do not contain Track 1 substances such as dioxins, above the level of quantification, the PMRA is requiring the manufacturers to submit data of 2,3,7,8 TCDD and 2,3,7,8 TCDF and their respective higher substituted chlorinated congeners to the limits of quantitation (0.1 ppb) in five recent batches of all technical products as part of the data requirements from the re evaluation of 2,4 D.

(c) It is important to distinguish between toxicity data (studies that are specifically designed to elicit a toxic effect) and exposure data (monitoring and biomonitoring data in humans such as in workers & bystanders including children and the elderly that occur as a result of normal use). Since its inception, the PMRA has not used toxicity studies in humans for risk assessment in which human subjects are intentionally dosed with pesticides to identify or quantify their effects. Human studies of this nature that have been brought to our attention, have been used solely in a supplementary manner thus far, to confirm that the animal model is an appropriate surrogate for assessment purposes. As such, the PMRA does not condone the use of human subjects for pesticide testing to establish no observed adverse effect levels (see below) for assessing risk for new or existing products. However, the PMRA does evaluate monitoring and biomonitoring data in humans (e.g., exposure data from workers, bystanders, victims of accidents), if available.

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The PMRA uses animal data as a surrogate for understanding the hazard profile (i.e., toxicity) of a given chemical and for establishing reference doses for the purpose of conducting human health risk assessments. Toxicity data from a number of different mammalian species including mice, rats, rabbits and dogs are examined, in order to assess cross species similarities and differences, as well as species sensitivity. Studies examine short and long term effects, as well as the potential for a chemical to induce birth defects, reproductive effects, potential sensitivity in the young and cancer. These studies are conducted at doses many times higher than what humans are exposed to, in order to understand the toxicity profile for a given chemical. Typically, the most sensitive species is used as the indicator species for human toxicity and health risk assessment, unless there are sufficient data to indicate another species is more appropriate. For human health risk assessment, safety factors are applied to the dose where no effects were observed in animal studies (i.e. the "no effect level" noted above) to create a reference dose. This reference dose is, at minimum, 100 times below the dose where no toxic effects were observed in animal tests. The safety factors account for interspecies extrapolation from animals to humans, for intraspecies variability, as well as for any other concerns identified in the toxicology data such as potential sensitivity of the young. This approach is consistent with that of other regulatory authorities that base human health risk assessments on animal toxicity data. Retrospective analyses indicate that this approach is protective of the human population.

The amount of exposure to humans from all relevant routes (oral, inhalation, absorption through the skin) and pathways (dietary intake, drinking water, residential exposures) is determined using a variety of data. Demographic data obtained from survey information are used to generate gender and age specific profiles for body weight, food consumption and activity patterns. This includes data on infants, toddlers, youth and adult sub populations. The demographic data are combined with the amount of pesticide residue present in air, drinking water, food and treated areas such as turf. As an example, the unique physiology, behaviours and play habits of children, such as their body weight and hand to mouth contact while playing on treated grass are considered together, when determining how much exposure they encounter. Residue data are obtained from a variety of sources including environmental surveillance, food residue monitoring programs and from both published and unpublished scientific studies designed to assess residue transfer to humans that may result from contact with treated areas. To be protective of human health, conservative estimates are used to obtain upper bound exposure levels. A listing of published human exposure studies considered specifically in the 2,4 D turf re evaluation is provided in PACR 2005 01.

The PMRA then conducts a quantitative risk assessment in order to integrate the results of the hazard assessment with those of an exposure assessment. This means that the level of exposure (or dose) that an individual, including a child, may encounter from a specific pesticide is compared to the reference dose that is established from the toxicity data. In the case of 2,4 D use on lawns, the PMRA required that the level of exposure to various sub populations be at least 300 to 1000 times below the dose where no toxic effects were observed in animal tests. Thus, the amount of 2,4 D to which humans are exposed through diet, drinking water and contacting treated grass is 100s to 1000s of times less than the dose that causes any toxic effect in animal studies.

(d) The information note clearly invites stakeholders to provide any additional information that may be relevant to the re evaluation. As indicated earlier, PMRA's review did determine that 2,4 D does not pose unacceptable risks for lawn and turf use when label directions are followed, and proposed the continuing registration of 2,4 D products. The public has responded to PACR2005 01 with numerous comments, some of which include additional published data and information. After a thorough evaluation of all comments received during the comment period, the PMRA will revise the assessment as required and communicate the final decision to all stakeholders in a re-evaluation decision document and a revised Information Note .

**Question No. 161—Mr. Brian Pallister:**

Can the government provide a list of all requests made by Canada Post to André Ouellet, from September 23, 2004, to the present, that call for Mr. Ouellet to provide information to assist with the Canada Revenue Agency audit, including: (a) the form and date of each request; (b) the Canada Post employee making the request; and (c) if or when a response was received from Mr. Ouellet?

**Hon. John McCallum (Minister of National Revenue, Lib.):**  
Mr. Speaker, the response is as follows:

Form and ate of Request	Canada Post representative making the request	Date of response received from André Ouellet
Letter dated September 23, 2004	Vivian Albo Chairman of the Board	No response
Letter dated October 20, 2004	Gerard Power Vice President General Counsel and Corporate Secretary	No response
Letter dated November 10, 2004	Gerard Power Vice President General Counsel and Corporate Secretary	Documents provided on December 2, 2004
Various verbal discussions took place between December 2, 2004 and June 6, 2005 between legal counsel for Canada Post and André Ouellet in respect of documentation of expenses incurred while André Ouellet was President and CEO of Canada Post. No further documentation was provided subsequent to December 2, 2004.		
Letter dated June 16, 2005	Legal Counsel for Canada Post	On June 21, 2005, André Ouellet responded that he had no further documentation in his possession or under his control relating to the expenses under review by the Canada Revenue Agency.

**Question No. 163—Mr. Ken Epp:**

With regard to the formal dinner held for the Queen on May 24, 2005, in Edmonton and the procedure for invitations for such: (a) were official invitations sent out; (b) what were the criteria for being in receipt of an invitation; and (c) what was the total cost for this event?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, the response is as follows:

- Invitations were mailed to guests figuring on the list provided to Optimum Public Relations, the company contracted to organize the event on behalf of the federal government. This is true for all guests except those from the House of Commons. Eighty-six seats were reserved for MPs from all parties. In these instances, party whips were all asked to extend invitations to their members.
- The criteria were based on the following categories: aboriginal and cultural groups, academic/education, arts and culture, agricultural sector, business, community leaders and representatives, core group, government/public sector, guest labour groups, media, military, non-profit sector, northlands park, order of canada, political leaders, professionals, religious leaders, sports, veterans and youth.
- Based on the final calculations, the total cost of the dinner hosted by the Prime Minsiter in honour of Her Majesty The Queen in Edmonton was \$338,565.79

**Question No. 164—Mr. Nathan Cullen:**

With regards to the approvals of further developments of open-net fish farms along the West Coast, has Environment Canada initiated a comprehensive study under the Environmental Assessment Act and, if not, why?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):**  
Environment Canada, EC, has not initiated comprehensive studies under the Canadian Environmental Assessment Act, CEAA, for open-net fish farms along the west coast because EC does not have a decision making role, i.e. funding, issuance of a permit or authorization etc. related to fish farms that would require an environmental assessment under CEAA.

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An environmental assessment is required under CEAA if the issuance of a federal authorization under the Fisheries Act or the Navigable Waters Protection Act is needed in order for a fish-farm to proceed. In that case, Fisheries and Oceans Canada, DFO, or Transport Canada are the responsible authorities under CEAA. Environment Canada provides expert advice to the responsible authorities related to our mandate, for example, shellfish water quality protection, toxics pollution prevention, and migratory birds.

Fish farms are not listed in the comprehensive study list regulations and therefore a screening level assessment is conducted by the responsible authority rather than a comprehensive study.

CEAA: Nil Reply

**Question No. 167—Mr. Greg Thompson:**

With regards to the International Ship and Port Security Code (ISPS Code): (a) have all ports in Canada implemented the ISPS Code and if not, can the government provide the names of the ports that are not in compliance and the date that they will be in compliance; (b) what requirements are in place to audit the ports as required by the ISPS Code, what authority is required to do the audits and are the audits required to be done by independent sources; (c) have all Canadian flagged vessels implemented the ISPS Code; and (d) have all foreign flagged vessels implemented the ISPS Code?

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, In December 2002 the International Maritime Organization, IMO adopted the International Ship and Port Facility Security Code ISPS Code and other amendments to the International Convention for Safety of Life at Sea Convention, 1974, SOLAS Convention to enhance the international framework for the deterrence, prevention and detection of acts that threaten security in the marine transportation sector. All IMO contracting governments, including Canada, have adopted the ISPS code in July 2004 and have the necessary national regulations in place.

The Canadian Marine Transportation Security Regulations, MTSR introduce new security requirements for the marine transportation industry under section 5 of the Marine Transportation Security Act, MTSA, and implement all provisions of the ISPS code.

(a) Yes, all 423 ports and marine facilities in Canada to which the MTSR apply have implemented the ISPS code. The MTSR applies to all Canadian ports and marine facilities serving vessels covered by the MTSR, engaged on a voyage from a port in one country to a port in another country. Others may be added in the future, as they are required to apply the MTSR.

(b) Canadian vessels, marine facilities and port authorities to which the MTSR apply are required to develop and implement a risk-based security plan developed from information obtained in security assessments of vulnerability and threat. Once submitted, the plans are reviewed by Transport Canada Marine Security Inspectors. An official certificate of compliance or international ship security certificate is issued upon approval of the plans.

The MTSR requires that audits be conducted by ports authorities and the operators of marine facilities against their approved and implemented security plans to determine whether there are any deficiencies or changes in security threats, procedures, responsibilities of personnel, operations or operator that require amendments to be made to the plans. Marine facility operators are required to perform internal audits annually or if there is a change in operator or modifications to the marine facility or its operations. There is no requirement for port authorities to conduct annual audits, although they are required to continually evaluate marine transportation security and to include a plan for periodically reviewing, auditing and updating the port security plan. If changes are required to the security plan following an audit, operators are required to submit an amendment to the minister of Transport for approval within 30 days.

Port authorities and the operators of marine facilities may call upon independent sources to perform internal audits for their own purposes.

Transport Canada Marine Security Inspectors conduct inspections of marine facilities and ports to ensure compliance with MTSR, and ISPS Code requirements, including the continued validity and implementation of security plans. These inspections are conducted under the authority of the Marine Transportation Security Act. Independent sources are not used for these inspections.

(c) All Canadian vessels to which the MTSR apply are in compliance and have received an international ship security certificate, ISSC, and Canadian vessel security certificate, VSC. There are approximately 213 Canadian vessels to which the MTSR apply.

(d) Most countries have developed regulations and have implemented the ISPS code for their vessels and ports. Any foreign vessel wishing to enter into Canadian waters must have an ISSC issued under their flag state .

**Question No. 169—Mr. Yvon Godin:**

Was the herbicide Agent Orange tested or used at the Tracadie range when it belonged to the government and if so, when and under which circumstances?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, based on a thorough search of available information, Agent orange was neither tested nor used on the Tracadie Range, when it belonged to the government.

**Question No. 170—Mr. Brian Masse:**

How much of the federal money committed to the Phase 1 Memorandum of Understanding signed on September 25, 2002, between the Ontario provincial government and the government has actually been transferred to the City of Windsor, the Province of Ontario or private contractor(s), or spent for projects agreed to in that document?

**Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.):** Mr. Speaker, Infrastructure has not yet transferred any money committed to the phase 1 memorandum of understanding signed on September 25, 2002, to the city of Windsor, the Province of Ontario or private contractor(s), or spent for projects agreed to in that document because the contribution agreement for phase 1 projects has not yet been signed.

**Question No. 173—Mr. Randy White:**

With regard to Correctional Services Canada, (a) has the department identified any problems or inconsistencies with laboratory testing procedures and laboratory test results conducted by Maxxam Analytics Inc., and specifically its Human Toxicology Department and Genetic Identification Division; (b) between June 20, 2003, and June 20, 2005, how many federally-sentenced offenders, who have been paroled or released on statutory release, have changed their names; and (c) between June 20, 2003, and June 20, 2005, how many Correctional Services Canada inmates have had gender re-assignment surgery, also known as a sex change, or its reversal?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, the response is as follows:

(a) MAXXAM Analytics Inc. of Mississauga, Ontario has provided forensic drug testing in its human toxicology department for Correctional Services Canada, CSC, for several years. The laboratory is assessed by two forensic toxicologists on a contractual basis annually.

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Regular contact is maintained by CSC personnel and the two toxicologists with the laboratory to discuss any challenges that may arise. The laboratory is also evaluated by the substance abuse and mental health services administration, SAMHSA, forensic drug testing accreditation program. The SAMHSA program also has two on-site inspections annually and is considered the most rigorous laboratory drug testing certification worldwide since started in 1987-1988.

MAXXAM Analytics has always responded appropriately to any concerns from CSC on any aspect of the forensic drug testing program. CSC does not have any concerns about the quality of service provided by MAXXAM Analytics to CSC's urinalysis program.

The genetic identification division of MAXXAM Analytics does not provide analytical testing services for the urinalysis program.

(b) If an offender changes his or her name legally then the offender management system, OMS, tombstone information will be modified to reflect the new name. The old name will be moved into the alias field in OMS, which may also reflect other aliases that the offender has used.

This being said there is no flag in OMS that would allow identification of which inmates have legally had their name changed, in order to differentiate this from the aliases an offender might have recorded against him/her.

(c) Our records indicate that no inmate has had gender re-assignment surgery, also known as a sex change, or its reversal.

\* \* \*

• (1530)

[English]

#### QUESTIONS PASSED AS ORDERS FOR RETURNS

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if Question No. 122, supplementary answer, and Question No. 123, supplementary answer, and Questions Nos. 151, 157, 158, 159, 160, 162, 165, 166, 168, 171 and 172 could be made orders for returns, these returns would be tabled immediately.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

[Text]

#### Question No. 122—Mr. Dean Allison:

Since October 23, 1993, did Ekos or its principals receive any: (a) grants, contributions or loan guarantees and, if so, (i) what was the source (i.e., department, agency, crown corporation, special operating agency or foundation), value, date made and reasons for providing the funding in each case, (ii) what is their present status, whether paid, repaid, or unpaid, including the value of the repayment, (iii) what was the total amount received; and (b) contracts and, if so, (i) were the contracts fulfilled, (ii) what were their contract number, source, value, date made, reasons for providing the funding, (iii) were these contracts tendered and if the tendering was limited what would be the reason for the limitation, (iv) what was the total amount of contracts obtained, and what was the total amount of all the funds provided to Ekos or its principals, (v) was it a standing offer, and, if so, what was the number and type of standing offer?

(Return tabled)

#### Question No. 123—Mr. Dean Allison:

Since October 23, 1993, did Earncliffe or Veraxis or their principals receive any: (a) grants, contributions or loan guarantees and, if so, (i) what was the source (i.e., department, agency, crown corporation, special operating agency or foundation), value, date made and reasons for providing the funding in each case, (ii) what is their present status, whether paid, repaid, or unpaid, including the value of the repayment, (iii) what was the total amount each company received; and (b) contracts and, if so, (i) were the contracts fulfilled, (ii) what were their contract number, source, value, date made, reasons for providing the funding, (iii) were these contracts tendered and

if the tendering was limited what would be the reason for the limitation, (iv) what was the total amount of contracts each company obtained, and what was the total amount of all the funds provided to these companies, (v) was it a standing offer, and, if so, what was the number and type of standing offer?

(Return tabled)

#### Question No. 151—Mr. John Cummins:

With regard to government measures that result in the build-up of moisture in the wall cavity of buildings and their inability to dry-out: (a) did Canada Mortgage and Housing Corporation (CMHC) management consider this wet wall syndrome in 1981, and if so, what action was taken; (b) did CMHC management consider this wet wall syndrome in subsequent years, and if so, when and what actions were taken; (c) was CMHC management advised that by being aware of the wet wall problem the corporation would be delinquent if they did not advise the public of the nature of the problem, and if so, what actions were taken; (d) was CMHC management advised that government departments could be exacerbating the wet wall problem, and if so, what actions were taken, when were they advised, which departments were involved and what was the result of these actions; (e) was CMHC management advised that government programs were resulting in the wet wall syndrome, and if so, what actions were taken, when were they advised, which programs and what was the result of these actions; (f) were there, by 1981 and in subsequent years, reported cases of moisture induced structural damage in housing across Canada, and if so, indicate the number by year and by province; (g) was CMHC management advised by 1981 and in subsequent years of risks involving structural damage to National Housing Act (NHA) insured housing leading to widespread defaults on mortgages with CMHC having to repossess these units and rectify the problem at substantial costs, and if so, when and what action was taken; (h) when was CMHC aware that the wet wall syndrome occurred most often in coastal regions with significant rainfall, and what action was taken with regard to building codes and construction practices affecting British Columbia; (i) were there concerns, by 1981 and in subsequent years, that the wet wall syndrome was triggered by barriers trapping moisture and preventing natural drying, and if so, what was the nature of these concerns and what actions were taken to address them; (j) was there an awareness at CMHC, by 1981 and in subsequent years, of results of research undertaken by the National Research Council (NRC) suggesting that rain penetration was a primary cause of moisture problems in some climates, and if so, when and what action was taken with regard to British Columbia; (k) was there an awareness by 1981 and in subsequent years that changes in the building practices, in part induced by changes in the National Building Code and government programs promoting energy efficiency, were sometimes a source of the wet wall problem, and if so, when and what actions were taken to address this problem; (l) which of these changes to the National Building Code addressed moisture penetration in exterior walls and natural drying of the wall cavity, particularly in areas of high relative humidity and rainfall and in what years were these changes made; (m) in which years did CMHC or NRC recommend changes to the National Building Code that had the effect of reducing the ability of the wall cavity to dry naturally; (n) what measures did CMHC and NRC undertake to alleviate the wall moisture problems, in spite of the slower drying effects of better insulated and airtight assemblies, and when did they take these measures; (o) when and what were the nature of National Building Code revisions after 1981 that were designed to improve the ability of the wall cavity to dry naturally, or at least to reduce moisture incursions; (p) what active measures did CMHC and NRC take to inform homeowners in British Columbia of the wet wall problem and when were they taken; (q) what active measures did CMHC and NRC take to inform builders and the housing industry in British Columbia of the wet wall problem and when were they taken; (r) what active measures did CMHC and NRC take to ensure that building practices in British Columbia addressed the wet wall problem, indicating the date of such actions and the success of the initiative; and (s) did CMHC liquidate its national portfolio of co-op housing, and if so, (i) when did this occur, indicating by street address the locations, and indicating the number of these co-ops by province, (ii) what was the reason behind the decision to liquidate, (iii) how many of these projects suffered from wet wall and drying problems, (iv) were these problems disclosed to the individuals or government agencies that purchased them, and (v) were engineering reports written, and if so, detail what they disclosed?

(Return tabled)

*Routine Proceedings***Question No. 157—Mrs. Bev Desjarlais:**

With regard to the use of federal money for aboriginal communities in the Federal Riding of Churchill: (a) what capital funds have been allocated to the rebuilding of the road on the Bloodvein First Nation; (b) what is the waiting list time for new school construction in each first nation community; (c) what is the waiting list time for new housing construction in each first nation community; (d) what has been the capital funding for each First Nation community each year over the past ten years; (e) which capital projects have been approved in first nations communities over the past five years; (f) what capital projects have been approved for the next two years; (g) what is the amount spent by Indian and Northern Affairs Canada per status resident in the riding of Churchill; and (h) how many communities are under third party management?

(Return tabled)

**Question No. 158—Mrs. Bev Desjarlais:**

With regard to the governance of Crown Corporations: (a) is there any document dated March 15, 2004, or before, that shows that the appointment process for the heads of Crown Corporations announced on March 15, 2004, by the President of the Treasury Board and the Prime Minister's Office was intended to be an "interim" process that applied only to the CEOs of Crown Corporations as stated in sessional paper 8555-381-129; (b) what is the selection criteria for each head of each Crown Corporation provided to the government in response to the letter from the President of the Treasury Board dated April 23, 2004, which required a response by May 28, 2004; (c) what are the names of the members of the nominating committees for each head of each Crown Corporation provided to the government in response to the letter from the President of the Treasury Board dated April 23, 2004, which required a response by May 28, 2004; (d) which Crown Corporations did not respond to the letter of April 23, 2004, and has further communication been made; (e) what are the names of the professional recruiting firms hired by Crown Corporations in the new recruiting process; and (f) how many times was Renaud Foster used as a recruiting firm apart from the appointment of General Maurice Baril as Chair of the Board of Directors of the Canadian Air Transport Security Authority?

(Return tabled)

**Question No. 159—Mr. Tony Martin:**

According to testimony on March 8, 2005, at the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, by Mr. Michael Saucier (Director General, Labour Market and Official Language Minority Communities, Department of Human Resources and Skills Development), 16 Calls for Proposals (CFPs) were issued by HRSDC resulting in 62 projects: (a) with respect to these 62 projects, please provide the following information for each project or contract: (i) the amount awarded, (ii) the name of the winning organization, (iii) the riding in which the winning organization is headquartered, and (iv) the names of organizations unsuccessful in their bids; and (b) with respect to CFPs: (i) as of today, have there been more CFPs issued, (ii) how many projects have been approved for those new CFPs and, if any, please provide for each project the same information as in paragraph (a) (i) to (iv)?

(Return tabled)

**Question No. 160—Ms. Diane Finley:**

With regard to the funding of the 19 federal agricultural research stations in Canada: (a) for each fiscal year, between 1995 and 2005: (i) what was the total amount of research funding transferred by the government to each of the 19 agriculture research stations, (ii) what was the total level of staffing and the composition of the staffing (i.e. the numbers of scientists, researchers, support staff and other staff) at each of the 19 agricultural research stations, (iii) what specific research projects were funded at the 19 agricultural research stations in Canada, (iv) how much of the research funds were dedicated to each of the research projects, (v) what percentage of the research funding to each of the 19 agricultural research stations was dedicated to resource research, plant research, animal research, and food and value-added research; and (b) for each fiscal year, between 1995 and 2005, what percentage of the research funding to each of the 19 agricultural research stations was dedicated to other categories of agricultural and/or agri-food research?

(Return tabled)

**Question No. 162—Mrs. Bev Desjarlais:**

With regards to Canada's annual reporting on and contribution to the Bretton Woods institutions: (a) how has Canada's participation in the institutions met Canada's established foreign policy goals and objectives, with reference to specific targets and measurable results; (b) what are the results-based indicators used by the government to measure the efficacy of the Bretton Woods institutions and why is their use not reflected in the annual report to Parliament; (c) how did Canada position itself on contentious issues under debate during the last year at the Bretton Woods institutions, particularly the International Monetary Fund's (IMF) independent Evaluation Office's Argentinian crisis evaluation, the IMF and the World Bank's evaluation departments separate evaluations on Poverty Reduction Strategy Papers, the Extractive Industries Review and Bretton Woods governance issues as related to the "voice and vote" debate; (d) how would the government characterize and compare the year-to-year changes in policies and priorities taken by Canada at these institutions; (e) what is the government's analysis of the financial performance of these institutions; (f) what role do Canada's contributions and participation in these institutions play within Canada's Official Development Assistance strategy; (g) what are the amounts contributed to IMF special funds or World Bank-administered trust funds particularly the African Regional Technical Assistance Center (AFRITAC) and the Caribbean Regional Technical Assistance Centre (CARTAC), the IMF's Technical Subaccount for Iraq, the World Bank's Global Environment Facility, the Global Funds for AIDS, Tuberculosis and Malaria, the African Capacity Building Initiative, the Consultant Trust Fund, Education in Africa and the World Bank Institute and Integrated Framework for Trade Related Technical Assistance; (h) what is the strategic economic benefit of Canada's participation in the Bretton Woods institutions, beyond private sector procurement opportunities; (i) what are the details of the 2004 US \$71 million in procurement opportunities to Canadian companies and individuals and how was this information acquired; (j) is this total significantly down from 2003 and if so, why; (k) what is the comparative financial information with variances explained for each of the last five years with regard to Canadian procurement, environmentally sustainable development, health, water and education; (l) what do these trends indicate about the priorities of the Bretton Woods institutions and their consistency with Canadian foreign and development policy; and (m) could the government clarify how the objectives of finance and development are reconciled between federal departments and between donor and recipient members of Canada's constituency at the World Bank and International Monetary Fund?

(Return tabled)

**Question No. 165—Mr. Randy White:**

With regard to Correctional Services Canada during the fiscal years 2002-2003, 2003-2004 and 2004-2005: (a) what was the total amount of salary bonuses paid to prison wardens in all regions; (b) what was the total cost in providing legal aid to inmates in each region; and (c) in how many instances was said legal aid utilized?

(Return tabled)

S.O. 52

**Question No. 166—Mr. Bill Casey:**

With regard to the December 22, 2000 announcement by the Minister of Public Works and Government Services Canada that a new federal multi-tenant government building, to replace the Dominion Building, would be constructed in Charlottetown and ready for occupancy by fall 2005: (a) how much did Public Works and Government Services Canada (PWGSC) pay for the lands and building where this proposed building will be constructed; (b) what was the name of the company or individual who sold the lands and building to the government; (c) what was the original cost for the construction of this new government building, including those estimates which were based on plans that included a parking garage, and the subsequent plan with no parking garage; (d) what was the market value of said lands at the time of purchase; (e) when the government prepared the land for construction of this new building, what procedures were undertaken to clean and/or remediate the soils found on-site; (f) in regards to question (e) were any of the soils found to be contaminated in any way; (g) in regards to question (f) if the soils were found to be contaminated in any way, were any of the soils removed or taken off-site for burial, storage or remediation; (h) what are the final locations for any contaminated soils taken from this construction site; (i) if no removal occurred, were the soils left on-site; (j) what reasons or explanations have officials from PWGSC given to the municipal council of Charlottetown in regards to the revision of construction plans not to include a parking garage; (k) in regards to question (j), once the new building is complete and ready to accept tenants what is the plan to accommodate those employees who will be driving to work and will need parking; (l) what is the new timetable for construction for the new building, based on the difficulties experienced by PWGSC in the tendering and re-tendering process; (m) what is the estimate of PWGSC on how many construction workers are to be employed at this construction site and for how long; (n) in regards to the tendering and re-tendering processes, what are the names of the companies that submitted a bid for this project; (o) in regards to question (n), what were the bid amounts submitted, by company, for this project; (p) has the Minister of Public Works and Government Services Canada ever held meetings with the Members of Parliament from Prince Edward Island in regards to the construction of this new government building; and (q) in regards to question (p) if meetings were held, what concerns were raised by the Liberal Members of Parliament in regards to this construction project?

(Return tabled)

**Question No. 168—Mrs. Cheryl Gallant:**

With regards to the Agent Orange, which Canadian military sites were used for Agent Orange experimentation after 1945, including the exact locations by individual base where testing occurred

(Return tabled)

**Question No. 171—Mrs. Cheryl Gallant:**

Were there Agent Purple experimentations conducted during the 1960's at CFB Gagetown and, if so, where are the field exercise areas that were used for these experimentations located at CFB Gagetown?

(Return tabled)

**Question No. 172—Mrs. Bev Desjarlais:**

With regard to corporate taxation: (a) what is the estimate by Revenue Canada of the amount of international transactions that were not reported by Canadian corporations for each year since 1991; (b) has the government given any loans or tax exempt status to any of the following companies over the last 25 years: General Motors, Bombardier, Noranda, Canadian Pacific, Domtar, Chrysler Canada, Baie-Comeau Co., Hudson Bay Mining and Smelting, Bank of Montreal and Coopers and Lybrand Consulting Group; (c) if any loans or tax exempt status has been given to these companies how much money is outstanding; (d) what is the cap on the amount of family trust assets that can be transferred out of the country by Canadians; (e) what is the level of family trust assets that can be transferred out of the country by an individual without taxation; (f) what is the proportion of taxes collected by the government that comes from individuals, compared to the amount raised by corporate taxes; (g) how has this proportion changed over the past two decades; (h) if there has been a shift in the proportion collected from corporate tax vs. personal tax, has this been a result of any government policy; and (i) how does the government expect the proportion of taxation coming from corporate tax vs. personal tax to change over the next 10 years?

(Return tabled)

[English]

**Hon. Dominic LeBlanc:** Mr. Speaker, I ask that all remaining questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

**The Speaker:** The Chair has some notifications of applications for emergency debate. I will hear those now. First is the hon. member for Abbotsford.

\* \* \*

**REQUEST FOR EMERGENCY DEBATE****GASOLINE PRICES**

**Mr. Randy White (Abbotsford, CPC):** Mr. Speaker, a matter of significant national interest has arisen that requires immediate debate in the House and, according to Standing Order 52, I so ask. The issue is that of extreme fluctuations and increases in and the unpredictability of gas prices.

The recent gas increases have seen significant profit at the pumps and in federal government coffers through taxation. Canadians are rightly alarmed that this affects the cost of goods purchased and transportation costs of all types and there is substantial worry about rising costs of home heating this winter.

The debate is necessary not just to discuss rising costs but to provide the House and Canadians with basic information on the following issues: who is profiting from such increases and by how much; forecasts and consumer protection related to increases; the proper role and action from the House of Commons; the ramifications of cutting federal tax on fuels; and the impact on various businesses and industries.

This matter is on the agenda of all Canadians, who are for the most part bewildered about the fluctuating gas prices.

I sincerely ask you, Mr. Speaker, to put this on the agenda of the House of Commons so that Canadians will believe that we too have an interest in dealing with this matter, and now.

[Translation]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, we agree that it is indeed important to hold an emergency debate on this issue as soon as possible this evening.

During the parliamentary recess, we experienced a sudden spike in fuel prices and noticed that astronomical profits were made, which were not and could not be explained.

Last Thursday, the Standing Committee on Industry, Natural Resources, Science and Technology dedicated a meeting to this issue, and agreed to summon the five responsible ministers to attend. We are facing a reality today in which prices are consistently 25% higher than they were at the beginning of the year. It is imperative that the federal government put an action plan in place.

*S. O. 52*

That is why we are hoping that the members of this House will be making short-, medium- and long-term proposals to prompt the government to act and finally adopt a policy to counter these disproportionate hikes in fuel prices.

The fact is that these hikes are jeopardizing economic growth. Many people have made comments to that effect, including some of our fellow citizens, consumers, economic stakeholders and both small and large business owners. The transportation industry as a whole was in agreement.

It is important that the House of Commons debate this issue as soon as possible, to contribute to the government's consideration of the issue so that it can come up with a real action plan. This is why I feel my request is justified.

• (1535)

[*English*]

**The Speaker:** The Chair has considered this matter, and while I am sure the matter is of some interest, whether it is a matter that meets the exigencies of the Standing Order at this time the Chair has some doubts. Accordingly, I am inclined to disallow the application at this time.

[*Translation*]

**Mr. Paul Crête:** Mr. Speaker, I rise on a point of order.

My colleague, the leader of the Bloc Québécois, has informed his counterparts that should you find that the request for emergency debate that I submitted to you does not meet the criteria of the Standing Order, he would seek unanimous consent to hold a debate on the important issue of the price of gasoline.

Thus, I am seeking unanimous consent to pass the following motion:

That an emergency debate on gas prices be held this evening in accordance with the provisions of Standing Order 52 and that during this debate no quorum calls, dilatory motions or requests for unanimous consent shall be received by the Speaker.

**The Speaker:** Does the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

[*English*]

**The Speaker:** I have a request for a further emergency debate from the hon. member for Timmins—James Bay.

CANADIAN BROADCASTING CORPORATION

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, under our Standing Orders I would like to request an emergency debate on the ongoing CBC lockout. It is not for us here in the House to raise the debate between management and staff in terms of the ongoing labour discussions, but I believe this lockout has raised a number of important questions that are being asked of MPs and in the media. I feel it is very important that we deal with this in the House now.

First of all there is the question of the appropriateness of CBC management withholding services that taxpayers have paid for. Questions have been coming up in the media about the future of the parliamentary appropriations and what is happening with those parliamentary appropriations. I think that discussion has to begin in the House now.

There is a question in terms of where we are going with our national broadcaster. This lockout has reopened a debate, a debate that many of us had thought was perhaps closed, a debate not just about the future of the broadcaster but even about the appropriateness of using federal funds to maintain a public broadcaster. I think it is important that we speak on it today.

As well, I think we have to talk now as we are six weeks into this lockout. We as MPs have to talk about it because we in a sense have an obligation as it is a public institution. We have an obligation to question the strategy publicly now because we are at a point where what is happening is a gambling with audience viewership, coming into the fall season, and a gambling with listenership.

As someone who represents a large rural riding, I do not believe people in the rural parts of my riding who have gone this long without CBC want this to continue. They are asking for direction from us as MPs.

I would like to have this debate because I think it goes back to the fundamental questions raised by the Lincoln report and the need for a coherent broadcasting policy in Canada and for us to take action on a coherent broadcast policy in Canada.

**The Speaker:** Once again, the Chair has heard the submissions of the hon. member. I note the events taking place today in respect of this matter. I am afraid I feel that the request does not meet the exigencies of the standing order at this time.

• (1540)

**Mr. Charlie Angus:** Mr. Speaker, tomorrow night, regardless of what happens with the discussions today, could we go to unanimous consent that this is an issue worth discussing by members of Parliament in an open debate?

**Hon. Karen Redman:** Mr. Speaker, I realize that this is a matter of great importance. I also realize that there are other events happening outside this chamber but having to do with a great deal of interest for the people in this chamber. I am wondering if, rather than dealing with the hon. member's point, we could allow the parties to speak behind the curtains and maybe come up with some arrangement, a plan that would be acceptable to you as well as the House, Mr. Speaker.

**The Speaker:** In the absence of any other agreement, the matter is disposed of at this time.

The Chair has notice of a question of privilege from the hon. member for Calgary East. I will now hear from him.

## PRIVILEGE

### INVESTIGATION BY ETHICS COMMISSIONER

**Mr. Deepak Obhrai (Calgary East, CPC):** Mr. Speaker, on September 16, 2005 I wrote to the Ethics Commissioner, Dr. Bernard Shapiro, that I had lost confidence in him and that the investigation he commenced against me be referred to the RCMP. In the same letter I advised him also that I would refer this matter to Parliament.

This past Friday, September 23 at 3:30 p.m., I received a hand-delivered communication from the Ethics Commissioner's office. I immediately returned the communication unopened and informed the Ethics Commissioner's office that I would rise in the House on a question of privilege to charge Mr. Shapiro with contempt.

Therefore I rise today on this question of privilege to charge Dr. Bernard Shapiro, the Ethics Commissioner, with contempt.

In the second edition of Joseph Maingot's *Parliamentary Privilege in Canada* at page 180 it states:

—each House interprets and administers the law of Parliament in order to find breaches of privilege or contempt in appropriate cases, and interprets any statute law setting out procedures to be followed.

The authority under which the Ethics Commissioner is to conduct investigations is contained in the Parliament of Canada Act and the Conflict of Interest Code appended to the Standing Orders, pages 107 to 118. The Ethics Commissioner clearly breached one of them and was negligent in the way he applied the other.

In my telephone conversation on September 13 with the Ethics Commissioner, following his letter of August 23, 2005, where he for the first time indicated what sections of the ethics code I had violated and requested that we have a telephone conversation, I said I would provide all documenting evidence to indicate that all his allegations made against me were false. We agreed to meet the following week.

However, the next day, on September 14, I received an e-mail from my office saying that Jack Aubry of the *Ottawa Citizen* would like to get my comments on the Ethics Commissioner's investigation against me. I called Jack Aubry and he said he wanted my comments on the investigation. I asked how he found out and he said he was interviewing Mr. Shapiro who then told him that he was investigating me. He also said that Mr. Shapiro told him that he had material that suggested something inappropriate was happening.

The next day, on September 15, articles appeared in major newspapers across the country. The articles in question are being tabled before the House. In these articles, Dr. Shapiro is quoted as saying, "I have some material that suggests something inappropriate was happening", and saying that I was under investigation. These damaging articles were carried in major newspapers across the nation.

The Ethics Commissioner's office carries a lot of legitimacy with the public. Hence, when they say that they are investigating a member of Parliament, then go on to make public comments, the member is seen as guilty by the public, especially by those who do not know me. This has been the feedback my family and I have received from numerous Canadians across the country.

The Ethics Commissioner's public musings have given legitimacy to false allegations that have damaged my reputation. Additionally,

## Privilege

comments made by him to the public are quoted in the *National Post* dated September 16, 2005:

But what we've got is a bunch of people who are trying to do exactly the right thing who sometimes do the wrong thing.

Having been prejudged by his office, I wrote to Mr. Shapiro on September 16, 2005, as mentioned earlier, and demanded that this investigation now be conducted by the RCMP and not by him.

All Canadians are deemed innocent until proven guilty. This is our fundamental right. I am questioning what happened to my rights.

On page 116 of the Standing Orders, section 27(7) of the Conflict of Interest Code states:

The Ethics Commissioner is to conduct an inquiry in private and with due dispatch, provided that at all appropriate stages throughout the inquiry the Ethics Commissioner shall give the Member reasonable opportunity to be present and to make representations to the Ethics Commissioner in writing or in person by counsel or by any other representative.

This section was breached when the Ethics Commissioner leaked information about the investigation to the media. Not only that, but he has prejudged my rights by saying to the media that he believes some impropriety has taken place.

• (1545)

I believe also that the Ethics Commissioner breached section 27(4) of the Conflict of Interest Code. Let me say and produce documents to show how he breached this section.

On May 9, 2005 the current Minister of Citizenship and Immigration, the member for Eglinton—Lawrence, said he had received unsolicited affidavits that he handed to the RCMP and the Ethics Commissioner for them to do as they saw fit. These letters were also copied to the Leader of the Opposition.

These were the same affidavits that were sent to the Prime Minister and to the former minister of citizenship and immigration in June 2004. The same affidavits were sent to my political opponent in the 2004 election, as quoted in the May 15, 2005 edition of the *Calgary Herald*.

We will not discuss how a document addressed to the Prime Minister and to the former minister of citizenship and immigration, the member for York West, showed up mysteriously on the desk of the current Minister of Citizenship and Immigration, the member for Eglinton—Lawrence, a year later. Neither will we ask how the national media were informed of these documents that were sent to the RCMP and the Ethics Commissioner.

My sister-in-law, the woman at the centre of this unfortunate blackmail attempt, and her son were in Ottawa to give her side of the story. She made arrangements to meet with the Ethics Commissioner on May 13, 2005. She was accompanied by her son who was witness to what had transpired, mainly a matrimonial dispute between a husband and a wife. She then told the Ethics Commissioner the reasons for the affidavits were a blackmail attempt to get her to return to India.

*Privilege*

On June 6, 2005 Eppo Maertens from the Ethics Commissioner's office wrote to my sister-in-law, and I quote what he said, "Thanks for your help" and he continued, "We are anxious to move ahead with the inquiry". Furthermore, the letter said that the Ethics Commissioner's office was in the process of retaining a lawyer in India to help investigate allegations against me.

I, as a member of Parliament, had absolutely no idea this was taking place, contrary to sections 27(4) and 27(7) of the Conflict of Interest Code. Furthermore, they wanted to investigate my sister-in-law's private life.

Therefore, I wrote Mr. Shapiro a letter on July 14, 2005 outlining my concerns and for him to understand that this was a family matter. One important point I made was that contacting the husband would only play into his hands, causing him to feel as though he had a hold on my sister-in-law through me.

I intend to table all these documents in the House.

In a reply to me on July 18, 2005, Mr. Shapiro advised me, "The inquiry was initiated at the request of the current Minister of Citizenship and Immigration and Member for Eglinton—Lawrence". The letter continues on by saying that we had not cooperated with him.

Then in my letter of July 26 I challenged Mr. Shapiro with documented proof that the current Minister of Citizenship and Immigration, the member for Eglinton—Lawrence, had not initiated the inquiry and also refuted his allegations that I and my family had not cooperated with him.

This is after my sister-in-law had given him taped transcripts from her husband saying he did not send these letters, as well as a copy of a letter from my lawyer in India to the husband to provide proof of these allegations.

In a reply to me on August 4, Mr. Shapiro changed his tune and stated it was he who had decided to proceed with the inquiry. I repeat that I was informed on August 4, 83 days from the time my sister-in-law met with the Ethics Commissioner. This is a clear breach of section 27(4). Now I have learned that I am being investigated.

A person who is being investigated is always told what he is being investigated for and not just that he is being investigated. Therefore, I sought legal advice from the House of Commons' lawyers and was advised to find out why I was being investigated.

On August 9 I wrote to the Ethics Commissioner and asked him what he was investigating me for. On August 23, 2005 I was advised by the Ethics Commissioner what he was investigating me for. This was a total of 103 days from the first interview with my sister-in-law on this matter.

Section 27(4) of the Conflict of Interest Code calls for a member to be given reasonable written notice before an inquiry is conducted. The Ethics Commissioner started this investigation in May. I was not informed which section of the code I had violated until August 23, 2005. In addition, section 27(4) says that members shall be informed and given reasonable opportunity in which to make representation.

●(1550)

So blatantly has this section been violated that Mr. Aman Anand, the husband who has a restraining order against him in Calgary and a police report saying that he was sent to a psychiatric ward, had the opportunity to meet with the Ethics Commissioner's representatives before I, a member of Parliament, had that right.

Mr. Anand, who is the husband, some time in the second week of September met with a lawyer hired by the Ethics Commissioner in India. I, a member of Parliament in Canada, was given the opportunity to respond only after I had requested it. That was on September 19.

We have an officer of Parliament who has breached the rules of Parliament. Mr. Shapiro acted in contempt. I am sure Parliament never anticipated that an Ethics Commissioner could violate the Parliament of Canada Act and the rules of the House with respect to conducting an investigation of a member of Parliament.

The Parliament of Canada Act and the rules are not clear on the process to follow under which these unexpected circumstances arise. Since Mr. Shapiro is an officer of Parliament and given that he breached the rules of Parliament established for his conduct, a question of privilege is the appropriate means to resolve this issue.

In addition, I cannot see how the Ethics Commissioner can make a fair judgment of the application of the code as it relates to members of Parliament when he himself fails to apply the code as it relates to his office. His carelessness and disregard for the rules is inexcusable.

I would bring this matter to the committee, but as we have experienced, such a process would take a great deal of time and certain procedural manoeuvring could scuttle a resolution to the issue.

Furthermore, the ethics committee could not determine whether this was a matter of privilege. As you are aware, Mr. Speaker, only the House can determine that. Besides, Mr. Shapiro is not in contempt of the committee. He is in contempt of the House for violating the rules of the House in a way that prejudges and casts a cloud of suspicion over one of its members.

I am asking you, Mr. Speaker, to rule this to be a *prima facie* question of privilege so that the House can determine whether or not Mr. Shapiro is in contempt for his actions.

Mr. Shapiro, as an officer of the House, and the code of conduct are relatively new. Therefore, there are no precedents. However, citation 59 of the sixth edition of Beauchesne's refers to two employees of the House of Commons who were fired for writing articles that reflected badly on the character of the House.

The Ethics Commissioner was appointed by the House and is therefore responsible to the House. He is responsible for articles that reflect badly on a member. What is worse is that he caused this to happen by disobeying the order of the House, which is section 27(7) of the Conflict of Interest Code.

Contempt is described on page 225 of Joseph Maingot's second edition of *Parliamentary Privilege in Canada* as an offence against the authority or dignity of the House. While privilege may be codified, contempt may not, because new forms of obstruction are constantly being devised and Parliament must be able to evoke its penal jurisdiction to protect itself against these new forms. There is no closed list of classes of offences punishable as contempt of Parliament.

As I said earlier, I do not think Parliament anticipated this situation. It assumed that the Ethics Commissioner would play by the rules Parliament set for him. Mr. Shapiro is guilty of disobeying the authority of the House. In so doing he has done damage to my reputation and prejudged my right to a fair investigation.

All these events lead me to believe that I am facing cultural discrimination from the Ethics Commissioner's office. Is it open season on members of Parliament from different cultural communities? When I told him this whole matter could be resolved with my sister-in-law returning to India but with deadly consequences, he said that was not his concern.

In conclusion, I wish to make a personal appeal to all. Today a very difficult personal family matter was made public. My family, including my sister-in-law, has struggled with this, but if we were not to raise these points, we would do a disservice to thousands who face these kinds of institutional discrimination and where justice is denied.

My family has suffered tremendously. I do not wish to go into private details.

•(1555)

My appeal to all is to please remember that there are human beings behind these events who get hurt because of unthoughtful actions by those who abuse the power they are given.

All Canadians have a right to recourse from the courts when these kinds of privileges are abused. Mr. Bernard Shapiro, in a letter to Democracy Watch, a copy of which I tabled, stated that he is immune from court action. I wonder if that is why he discarded good common sense in this case.

Allegations are not something that bother me. All it took was one phone call from me to the Indian authorities to find that the affidavit that Mr. Shapiro is basing his investigation on is a forged one.

I am asking you, Mr. Speaker, to rule this to be a prima facie question of privilege so that the House can determine whether or not Mr. Shapiro is in contempt for his actions.

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

**The Speaker:** The Chair thanks the hon. member for Calgary East for his submissions. I will review the documents that he has indicated that he is presenting with his argument, as well as the argument, and return to the House with a ruling in due course.

## Government Orders

### GOVERNMENT ORDERS

[English]

#### CRIMINAL CODE

The House resumed consideration of the motion that Bill C-49, An Act to amend the Criminal Code (trafficking in persons), be read the second time and referred to a committee.

**Mrs. Lynne Yelich (Blackstrap, CPC):** Mr. Speaker, it is a great honour to speak today to the trafficking bill.

Injustice takes many forms and one of the most heinous is what can only be described as the modern day slavery of human trafficking.

Human trafficking is a cruel and insidious stain on collective humanity that refers to the recruitment, transportation and harbouring of a person for the purposes of exploitation involving the threat or use of force, coercion and deception.

The majority of victims are women and children who are typically forced into prostitution and other elements of the sex industry, but they can also be exploited through farm, domestic or other labour.

The victims of human trafficking are usually, although many are abducted outright, individuals desperate to flee dire economic and living conditions in their native land. Traffickers, or more accurately flesh peddlers, prey on dreams of a better life and employment to support families back home to lure unsuspecting individuals into a life of slavery.

Victims and their families are conned into believing a trafficker's false promises of a good job and wealth that awaits them in a new far off land. Often traffickers will produce a fake employment contract, fake visa or whatever to sell the victim this false opportunity. Once they arrive, however, they soon discover that the jobs do not exist and that this better life is a miserable existence in the sex trade or labour servitude.

The activities of these networks of traffickers threaten not only the lives of those affected, but also the social, political and economic fabric of nations where they operate.

Although the clandestine nature of the activity makes accurate data difficult to obtain, the UN estimates 700,000 people are trafficked annually worldwide, and these numbers are growing, of which 80% are woman and children, a majority of which are girls and women under the age of 25.

Moreover, this serious human rights violation is, according to the United Nations, the fastest growing form of transnational organized crime, generating annual global revenues exceeding \$11 billion US.

Matthew Taylor with Family Child and Youth Services in Ottawa has stated, "It is the third highest source of revenue for organized crime next to drugs and firearms".

*Government Orders*

While the cruelty and inhumanity of human trafficking cannot be quantified, I ask everyone here today to try to imagine the reality of human trafficking. I ask them for a moment to imagine that this is happening to a sister, a daughter or even to themselves.

As Leslie R. Wolfe, the president for the Center for Women Policy Studies in Washington, has asked us:

Imagine that you have left home for a new country and new economic opportunity. Imagine that you are eagerly looking forward to a job as a nanny or elder care provider or waitress—to earn money to send home to your family.

You have been brought to this new country for this wonderful job by a man or men you fear or even trust—only to find yourself imprisoned in a brothel or sweatshop.

Imagine your terror: You cannot speak the language. You are not even sure exactly where you are in this huge country. You fear the local police, who may be complicit in the trafficking—as they likely were in your home country.

You have no contacts with local people, no resources, and no knowledge of existing services such as battered women's shelters, rape crisis centers, refugee and immigrant women's centers.

And, of course, you are afraid to ask because you have been threatened and brutalized and your passport has been taken from you—and so you legitimately fear arrest, imprisonment, and deportation.

The nightmare continues as these victims are often forced into involuntary sexual exploitation and servitude.

● (1600)

As the U.S. state department trafficking in persons report states:

Victims of human trafficking pay a horrible price. Psychological and physical harm, including disease and stunted growth, often have permanent effects. Another brutal reality of the modern-day slave trade is that its victims are frequently bought and sold many times over—often sold initially by family members.

That is the terror facing countless victims of human trafficking. Some people might dismiss this as something that cannot happen here, that it is restricted to third world and impoverished developing countries. These people are wrong. Canada is not immune to this slavery of our age. The fact is we are increasingly becoming a major destination country for traffickers.

Carole Morency, senior counsel with the Department of Justice, remarked that “this is a global phenomenon that touches every country, including Canada”.

The RCMP reports that about 800 people are smuggled into this country each year. Even more troubling, Canada's Solicitor General stated that 8,000 to 16,000 illegal immigrants are forced to work in the sex trade industry.

Moreover, we have become a major transit point for trafficking to other countries with an estimated 1,500 to 2,000 people being trafficked from Canada into the U.S. a year.

According to the trafficking in persons report, British Columbia, for instance, has become an attractive hub for East Asian traffickers who smuggle South Korean women to the United States through Canada. Detective Constable Jim Fisher with the Vancouver police intelligence section supports that assessment and he has remarked that “Canada has not really come to grips with what it takes to properly police this phenomenon”.

Until the introduction of this legislation, Canada's response to this growing epidemic has been wanting at best. However, Bill C-49

strives to correct that by specifically prohibiting trafficking in persons in Canada.

At the present time the Criminal Code includes no provisions to specifically prohibit trafficking in persons, although numerous offences include kidnapping, uttering threats, and extortion which all play a role in targeting these crimes.

While the government brought Canada's first anti-trafficking legislation into force in 2002, the Immigration and Refugee Protection Act, prohibiting bringing anyone into Canada by means of abduction, fraud, deception with the use or threat of force or coercion, it has proven somewhat lacking with the first charges under the three year old act laid only this past spring.

Bill C-49 seeks to augment that legislation by moving the focus beyond immigration and making trafficking in persons a criminal offence. This is a positive step and one I support. However, we must note that without attaching severe and lengthy penalties for these crimes, the possibility exists that the exploitation and abuse will continue.

In Bill C-49 there are no mandatory prison sentences and imposing such would send a clear message that Canadians will have no tolerance for these flesh peddlers.

Throughout my remarks today I have referred to the trafficking in persons report produced by the United States state department. The report which monitors global human trafficking is designed to, and in my opinion has in its five years of existence, raise awareness and stimulate government action, both domestically and internationally, to combat human trafficking. I note however that Canada produces no such document and that this bill does not refer to a Canadian annual report on trafficking. Consequently, I would implore that we strongly amend the bill to include such an amendment.

An annual report, modeled after the state department report but perhaps with a more domestic focus, would allow Canadians and their elected officials an opportunity to measure our success in combating this modern form of slavery. Furthermore, this legislation is only the first step in the battle against human trafficking.

The government must ensure, once this legislation is passed, that it will guarantee the necessary resources to ensure that this legislation may be effectively enforced. This includes increased resources for our underfunded immigration and border security, and increased support for agencies that will house and assist women who have been smuggled here, especially those involved in the sex trade.

● (1605)

In closing, I will be supporting the bill. The government, however, has to ensure that the legislation is passed and that it will guarantee there are necessary resources to ensure that the legislation is effectively enforced.

*Government Orders*

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member closed her speech with a very important point about resources. We can pass laws with regard to amendments to the Criminal Code, certainly in a case where there is no specific language in the code now to cover trafficking of persons. I wish it was maybe called exploitation of persons. However, we have to ensure that the provinces have the means and the resources to apply and enforce the laws as they evolve in our development.

Does the member have any thoughts about how we can ensure those resources with regard to enforcing the Criminal Code? Trafficking of persons is not just between outside countries and Canada. It is also within Canada. How this is integrated and how we ensure that those who perpetrate these crimes get the appropriate sentences to reflect the true values of Canadians with regard to these foreign crimes is a collaboration of all levels of government and policing authorities.

• (1610)

**Mrs. Lynne Yelich:** Mr. Speaker, the resources can be quite readily addressed by perhaps the waste that we have found with the gun registration, for example. I believe what the member says is true, that we are very short of resources. I have met with RCMP officers in Saskatoon. They are suffering cut backs. We do need more resources out there. We need more front line people.

I agree that there should be more resources. How do we get them? We have to take a look at the gun registration which is taking a lot of our resources. Our tax dollars are going into that tremendous boondoggle of gun registration. I think the provinces would be very happy to get the money that goes into gun registration.

[Translation]

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, I will definitely vote in favour of this bill. It is important to provide some security against trafficking in persons for the purpose of sexual exploitation.

This bill is a step forward, but it will not resolve everything related to this unfortunate phenomenon in our society. In my previous career as a social worker, I came up against this issue many times.

Apart from the necessary legislation, does the hon. member see any preventive measures, or intervention in the communities, to prevent all this organized crime and trafficking in persons for sexual purposes?

[English]

**Mrs. Lynne Yelich:** Mr. Speaker, I have some thoughts on that and they have to do with something the government is intending, and that is looking at legalizing prostitution. That is one area we should probably address. I think it should not even be entertained.

I want to refer to a comment of Donna Hughes, a professor from the University of Rhode Island. As she researched women's rights, she consulted with many governments. In a journal she wrote a paper called "The 'Natasha' Trade - The Transnational Shadow Market of Trafficking in Women". In this paper she concluded that:

Legalization of prostitution is sometimes thought to be a solution to trafficking in women, but evidence seems to show that legalized sex industries actually result in increased trafficking to meet the demand for women to be used in the legal sex

industries. Increased activity of organized crime networks also accompanies increases in trafficking.

We have to work at the ground level. We have to ensure we keep vulnerable people off the streets. We should not look at legislation to legalize something that I think would contribute to trafficking of humans.

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, my colleague mentioned domestic involvement, situations in the domicile involving the trade of women. Would she explain to us more clearly how exactly that works?

**Mrs. Lynne Yelich:** Mr. Speaker, we are talking about trying to get it out of our domain. I will go back to prostitution at the local level where it is becoming a concern.

I represent the city of Saskatoon and we have a lot of problems. There is a lot of child prostitution. Parents are taking this into their own hands now. They are trying to get these people off the streets by going out with cameras and taking pictures of johns. They are taking the law into their own hands by doing things at the local level instead of waiting for our government to help with child prostitution and protection of young people, who are vulnerable to the johns who prey on them.

This has to do with working at home in our communities with our prostitution problems which soon leads to trafficking.

• (1615)

[Translation]

**Mr. Guy André:** Mr. Speaker, I want only to respond to the member's statements. Naturally, I am in favour of this bill. However, I do not necessarily believe that legalizing prostitution or creating a framework for it would increase white slavery and sexual exploitation. I do not necessarily agree with this part.

On the contrary, I believe that if we provide more of a framework for prostitution, which unfortunately has always existed in our society—although it should not, it always has—the situation might improve somewhat. I think that there is not necessarily a connection between the trafficking of individuals for sexual purposes and the legalization of prostitution. I would like to hear what the member thinks about this.

[English]

**Mrs. Lynne Yelich:** Mr. Speaker, I again would like to quote an expert, Donna Hughes, a professor at the University of Rhode Island in the women studies program and a noted researcher on women's rights. In the spring 2000 *Journal of International Affairs* she wrote a paper entitled, "The 'Natasha' Trade — The Transnational Shadow Market of Trafficking in Women." She said:

Legalization of prostitution is sometimes thought to be a solution to trafficking in women, but evidence seems to show that legalized sex industries actually result in increased trafficking to meet the demand for women to be used in the legal sex industries. Increased activity of organized crime networks also accompanies increases in trafficking.

*Government Orders*

That lady is an expert who is frequently consulted by governments, such as the U.S. State Department and the Council of Europe and non-governmental organizations, including the Coalition Against Trafficking in Women, on policy relating to trafficking and exploitation of women and girls.

I am taking my cues from the experts who are studying these social problems. I always have felt that prostitution takes our society down a slippery slope. I believe that this professor's work and statistics are probably very legitimate and worthwhile.

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, I want to start out on a personal note. Since I was a new member, you are one of the members of Parliament with whom I have had a very close relationship. I have enjoyed working with you and I want to wish you the best of health and thank those people who have given you strong relationships. I congratulate you for your courageous statement earlier today. Our thoughts are with you. You continue to do an excellent job in your role in serving the country.

I am pleased to rise today to speak on Bill C-49, an act to amend the Criminal Code, trafficking in persons.

Trafficking in persons is a pervasive global phenomenon. No country has been left untouched by this terrible scourge. Canada, along with the international community, recognizes the severity of the problem and is committed to addressing it, both domestically and together with its international partners.

This bill is one example of that commitment. It is part of a larger approach that involves and overarching federal anti-trafficking strategy currently being developed by an interdepartmental working group dedicated to this issue.

I support this broad based approach because it recognizes the many manifestations of this complex crime, a crime that has serious implications for victims, for law enforcement, Canadian society and the entire international community.

Such an approach must be formed by the international standards that have been developed in response to this problem, and I believe Canada's approach does just that.

The United Nations Convention against Transnational Organized Crime and its supplemental protocol to prevent, suppress and punish trafficking in persons, especially women and children, established the most widely accepted international framework to address trafficking. Canada was among the first nations to ratify these important instruments in May 2002.

In keeping with this framework, I understand that the federal anti-trafficking strategy will focus on the prevention of trafficking, the protection of victims and the prosecution of offenders.

As part of this approach, these proposed reforms send a very clear message that those who seek to exploit vulnerable people will be brought to justice. In particular, these criminal law reforms would strengthen our response to trafficking by building on existing provisions in the Criminal Code which address trafficking related conduct as well as the specific trafficking offence in the Immigration and Refugee Act that addresses cross-border trafficking. For those

people who questioned this earlier today, there have been convictions under that act, so we are already working in that area.

These reforms would provide additional tools to better respond to the various manifestations that this crime can take, including prohibiting trafficking that occurs across and wholly within our borders and by focusing on exploitation which is at the very heart of this criminal conduct.

These continuing efforts by Canada to strengthen our responses to human trafficking are recognized internationally as well. For example, in the June annual "Trafficking in Persons Report" by the United States department of congress, which was mentioned in the debate earlier today, Canada's top tier one ranking was maintained, reflecting full compliance with minimum standards set by the United States to assess other countries' efforts addressing prevention, protection and prosecution.

Three new offences are proposed.

The main offence of trafficking in persons would prohibit anyone from engaging in specified acts such as recruiting, transporting, harbouring or controlling the movements of another person for the purpose of exploiting or facilitating the exploitation of that person. This offence is punishable by up to life imprisonment, reflecting its severity and its harmful consequences to the victims.

● (1620)

Second, the proposed reform seeks to deter those who would profit from the exploitation of others by making it an offence to receive a financial or material benefit knowing that it results from the trafficking of persons. The offence is punishable by up to 10 years imprisonment.

Third, the proposed reform seeks to criminalize the withholding or destroying of travel documents in order to commit or facilitate the trafficking of persons. The offence is punishable by a maximum of five years imprisonment.

The approach is consistent with the international community's understanding of this terrible crime and I rise today in strong support of these reforms, as have most speakers in the House today.

I think it is important to remember that the bill does not stand alone. In addition to the federal anti-trafficking strategy that I already mentioned, trafficking continues to be addressed through non-legislative measures as well. For example, I know that the government has undertaken numerous initiatives to combat human trafficking through the development of awareness materials such as a poster, pamphlet and website. I understand that the poster and the pamphlet have been translated into many different languages in recognition of the international nature of the crime.

I also applaud the government's continuing commitment to work in partnership with the international community to address this issue, for example through funding prevention efforts abroad, participating in various organizations, such as the United Nations, the Organization of American States and through the new security and prosperity partnership of North America.

*Government Orders*

I also would like to mention that Canada ratified the optional protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography on September 14. It is a further reflection of an ongoing commitment to address all aspects of trafficking, including trafficking in children.

Just recently the International Labour Organization estimated that at any given time at least 2.45 million people are in situations of forced labour as a result of human trafficking, the majority of whom are women and children, the most vulnerable members of our society. These numbers underscore the need for a comprehensive approach to this global problem. Bill C-49 represents an opportunity to strengthen Canada's approach as well as to further the government's continuing priority, the protection of the vulnerable.

I am convinced that the current broad response is what is required if we are to effectively combat this crime. Bill C-49 is an important part of this comprehensive approach to combating human trafficking.

It seems that virtually everyone is speaking today in favour of the bill and I hope we will have a speedy passage through the committee and through the various readings in the House.

The one issue that has been up for some discussion and which might be interesting to carry on was raised by Her Majesty's loyal opposition. It relates to the lack of types of sentencing on these particular crimes and perhaps in the justice system in Canada as a whole. As I mentioned earlier, I have concerns about some of the light sentences relating to the assault of women when it could ruin or destroy lives. I think members are very interested in discussing that issue.

•(1625)

I talked earlier about mandatory minimum sentences. It has been suggested that this particular bill, and it is the only amendment that anyone has proposed today so I should address it, is just not part of the general philosophy for general offences in Canada. There are 29 very serious offences where there are mandatory minimums and 11 more in our proposed Bill C-2. However in general it is not part of the justice system in Canada for several reasons.

First, it tends not to achieve the objectives, which is more protection and more rehabilitation of offenders. For instance, in the United States, where it has been tried, because there is a mandatory minimum what often happens is that people tend to use it as a maximum and it has ended up reducing the length of sentences which was not at all the intention of such a scheme.

Also, in Canada, rather than an arbitrary, very narrow view of sentencing, we have a very broad system of sentencing and options because there is a broad system of circumstances if one is making decisions in fairness both to the circumstances and to the productivity of the results. What Canadians and everyone else wants in a justice system are two things: protection from the offenders so that they do not offend again and rehabilitation. Not everything fits into narrow forms of incarceration limits and punishments, which is why the Canadian system of sentencing can be based on fairness with a variety of solutions to those problems.

If those are the only concerns about the bill I hope we will move very quickly. Everyone in the House agrees it is a very serious

international offence. We do have some laws in place. We have some convictions. We have some other programs. We have information programs that are an important part of our strategy. There is also prevention. It is much more effective to prevent this in the first place. It solves a lot of economic and human tragedies.

All these are part of a strategy and this particular bill is another sign to the international community and to the justice system that we take this offence very seriously. That is why we are setting out three new offences and specifically targeting this so that there is no way that offenders could escape prosecution for the serious offence in Canada that afflicts nations around the world.

•(1630)

**Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am very interested in the very positive approach taken by the member to this subject matter which is obviously very troubling to those who are aware of it. It is very important that others be made aware of this problem as it exists within our society.

I would like to ask the member if he would agree with me that it is not only legislation that we need to bring forward but we also need to ensure that with that legislation there is a great deal of education to ensure not only that this subject matter is recognized as being within our country but also that it needs to be dealt with in a most severe way.

**Hon. Larry Bagnell:** Mr. Speaker, the member asked if the legislation was sufficient. I was trying to make the point earlier that this is just a part of a broad federal government strategy and that there are a number of pillars to the strategy to combat trafficking.

We are currently developing this strategy to enhance the federal coordination of the various departments involved in anti-trafficking responses. We have to coordinate not just domestic agencies but also international agencies. We are doing a number of things locally.

Often the most vulnerable are the people who obviously will not know, first, that it is a potential problem for them but, second, how they can avoid it and the steps they have to take. For instance, when new immigrants who may not be that familiar with the language are targeted they do not know their legal rights and become victimized. Part of our strategy up front is through information pamphlets, the website and resources to work with the various multicultural communities in Canada. These programs explain to these people the danger of this occurring and tell them their rights so that this does happen to them. These programs make them aware of what might be a danger to them and how they can prevent it or stop it from happening in their communities and to them personally.

As I said, I think our poster and pamphlets have been translated into something like 15 different languages so that people in Canada from various communities can understand exactly what the problem is and help them to find their way around it and out of it.

*Government Orders*

We are also providing educational awareness seminars to law enforcement officers, police, prosecutors, immigration officials, customs and consular officials, all those who might come in contact with this activity so that they are aware that it is occurring and what the telltale signs are. Once they become aware of it they can obtain evidence on the offenders, start a prosecution and, hopefully, have prevented the crime in the first place through our prevention activities.

•(1635)

[*Translation*]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I read the bill carefully and I listened to the comments made by the hon. member. I want to ask him to explain further.

I want the member to tell us how to deal with cases where someone has been tricked, threatened, forced or otherwise constrained into donating an organ or tissue. In my opinion, this is one of the important parts of the bill. To date, not much as been said about this. Obviously, white slavery was discussed. This bill is extremely important. The Bloc Québécois supports, without reservation, the government in implementing it as soon as possible. However, I want to hear what the hon. member has to say about this, because this is one of the lesser known parts of the bill before us.

[*English*]

**Hon. Larry Bagnell:** Mr. Speaker, any time we get into this topic, as well as the similar topic of emergency services, we have an important debate on the balancing of concerns over the rights of human dignity, privacy and personal protection and the invasion of one's records. The main key is the educational aspect, the counselling and the training to explain when and why it is necessary, what the benefit of that would be and how it would prevent the crime.

I am sure that when people see what can happen in very serious circumstance, the types of people that have been targeted and the fact that this has already happened to 2.45 million people around the world, that these types of trade-offs would be necessary and people would choose it for their own protection.

**Mr. Randy White (Abbotsford, CPC):** Mr. Speaker, I will be speaking to this in 40 minutes or so, but before I do that, I need to have a couple of questions answered. The penalties we see here in this bill are life, 10 years and 5 years, maximum. Members opposite know that in the courtrooms today these maximum penalties are being minimized, mainly because of the antics of the judges and lawyers in the courtroom.

I am very concerned. Just because government puts on maximum penalties does not mean that we are going to get tougher on these issues. It very likely means that life will go on in the courtroom the way we see it now. I am really reluctant to go with maximum penalties these days. I think we should be dealing with minimums. That goes for a lot of laws, such as drug laws and hit and run offences and so forth. I would like the hon. member to address that.

I also need some clarification about how most of the bill addresses the trafficking of people outside of Canada. I work with a lot of people who are being forced into working for drug gangs. They are being used as muscle, for driving cars, or for whatever the drug gang wants. The threats are that the gang will kill the person's brother,

sister, mother, father or grandfather and so on. I just want to make sure for my own edification that this bill will surely cover those kinds of incidents as well as trafficking and prostitution outside the borders. We are into a new day and age when these drug gangs, which I will speak about in a few minutes, are coercing young people right out of school to work for them.

I would like those two questions answered before I get into this subject, because I really do not want to make any mistakes on where I am going with it.

•(1640)

**Hon. Larry Bagnell:** Mr. Speaker, the member asks two very good questions.

On the second question, definitely, the bill is designed for inside Canada and to stop trafficking of persons, whatever the reason for exploiting that person. If the particular type of activity the hon. member is talking about is not covered in this specific bill, then it is covered through other offences because obviously one of the things we are trying to stop is the exploitation of juveniles, whether it is for criminal activity such as drugs or sexual activity or any type of activity. It is definitely an objective to totally erase all those types of activities in Canada.

In relation to maximum and minimum sentences, I did address that a bit at the end of my speech. Perhaps I will repeat some of that. Setting a maximum sentence but not a minimum is not saying that the federal government is directing, which came up earlier in the day, or suggesting a particular level of severity for the courts and the judges. What it is saying is that there is a wide variety of options for the court because there is a wide variety of circumstances and a wide variety of punishments that would be fair. There is a wide variety of punishments that either would protect people from further harm or would lead to the rehabilitation of the offender. The government is not reducing or directing the courts. It is just saying that here is a wide horizon of options so the courts can treat every situation fairly.

As I said earlier, there have been examples where minimum sentencing has backfired. In a number of jurisdictions in the United States, minimum sentences ended up getting used as maximums. That meant a lot lighter sentence than the whole process was meant to provide. It ruled out a lot of other options for the courts in specific circumstances when a different option would have made more sense at the time.

[*Translation*]

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, thank you for giving me a chance to speak today on Bill C-49 so that the Bloc Québécois can state its position on this matter. This bill is of special interest to me in my capacity as status of women critic. This is a new job for me. The Bloc leader has asked me to be the status of women critic for the next session. I am also the social development critic. This is an important job as well because it is a matter of poverty, equity and quality of life.

*Government Orders*

Bill C-49 has to do with trafficking in persons. It is an alarming and revolting subject in some regards. It could also be said that the life story of abused people is deeply upsetting and morally unacceptable.

We know that some people profit from human misery—from the misery of certain people and cultures. Faced with these human tragedies, we as legislators must also do what we can and make our contribution toward a better understanding of how this Mafia-like crime works.

Today we offer our raised awareness and our understanding of this matter and the extent of the problem.

This is a complex subject with a number of aspects. Various people are involved. First there are those who are exploited: the women, children and men. Then there are the exploiters. Who are these people who profit from the situation? We know that there is a whole chain of activities from which a number of people benefit.

Today the Bloc Québécois considers Bill C-49 a step in the right direction, not just because it will provide a better framework for the drafters of the Criminal Code but also because it will make it possible to prosecute the people who benefit. There is a better definition of recruitment. It says, for example, how individuals are transported and how their housing makes it possible for the victims to be abused. This includes exploitation in the sex trade. That cannot be denied.

We were speaking earlier about trafficking in women. When a connection is drawn with prostitution, trafficking in women and children for the purposes of prostitution, we can see that we must be very vigilant about taking action with the Criminal Code. We must be better able to meet the needs of the people who are being exploited.

The purpose of this bill is to ban trafficking in persons. This means that those profiting from such trafficking will be doubly penalized. People have gone so far as to destroy or conceal I.D. in order to facilitate trafficking in persons.

All those who are involved in trafficking of persons will be prosecuted: those who are engaged in trafficking, those who receive financial gain from it, those who destroy or conceal identity documents in order to facilitate the offence of trafficking in persons. These are the ones who will be penalized the most heavily under the Criminal Code.

Under Bill C-49, anyone found guilty of trafficking in persons will receive a life sentence. There are also provisions for accomplices to a kidnapping, aggravated assault or sexual assault, or the death of a victim during the commission of the offence. They will be liable to a prison sentence of 10 years.

• (1645)

Any person who takes financial advantage of forced labour, which is another thing imposed on the victims of trafficking of persons, would be liable to a maximum 10 year sentence. Five years would also be a possibility for those taking possession of identity or travel documents belonging to a victim. Those destroying identity documents would also be liable to a prison sentence.

With this bill, a whole chain of individuals linked to the human trafficking trade will be far more heavily punished.

We know that the Minister of Justice tabled eight clauses on May 12, 2005. These very brief clauses will amend the law and create three new offences:

- (a) create an offence of trafficking in persons that prohibits a person from engaging in specified acts for the purpose of exploiting or facilitating the exploitation of another person;
- (b) create an offence that prohibits a person from receiving a financial or other material benefit that they know results from the commission of the offence of trafficking in persons;
- (c) create an offence that prohibits concealing, removing, withholding or destroying travel documents—

The foregoing is part of the summary of the bill, which will amend the Criminal Code and create three new offences.

The bill also defines the concept of exploitation as it relates to human trafficking, for instance forcing a person to work or provide services, including services of a sexual nature, causing a victim to believe that their safety or that of a person close to them would be threatened if they failed to do what is required of them. The same goes for causing a person, by means of deception or the use or threat of force or of any other form of coercion, to have an organ or tissue removed.

These are the changes contained in the bill with respect to exploitation as it relates to trafficking in persons.

Human trafficking could be described as modern slavery. As we know, the first to be exploited are women and children, the most vulnerable in society. Also, on certain continents, the victims are individuals living in minimal conditions for survival.

Everyone involved in trafficking, be it to recruit, transport or house for the purpose of sexual or other exploitation, has to be punished. The victims are first deceived, and often coerced. This is taking place here, in Canada. It is reported that 800 persons are the victims of this kind of abuse in Canada every year. We thought this could not happen in our country, that it only happened in developing countries or in countries that turn a blind eye to trafficking in women, children and men. Such trafficking exists for all sorts of purposes; it may be for purposes of sexual exploitation or for labour purposes.

In 2000, the United Nations published a report on trafficking in women. Canada is said to be among the 30 top destinations. The countries involved are divided into countries of origin, transit and destination for this type of trafficking. We must therefore be extremely vigilant.

I am pleased to see the Criminal Code further strengthened today, so that something can be done about this. We are aiming for zero tolerance in terms of violence against women, but also with respect to human trafficking.

This also allows us to raise public awareness. This is modern-day slavery. Many might think that slavery existed in another century and that we celebrated the 150th anniversary of the end of racial exploitation. However, this type of slavery still exists today.

*Government Orders*

We know there were a number of events to celebrate the abolition of slavery, but this type of slavery still goes on today. In the context of globalization, the transfer of individuals takes place much more quickly and we know this type of trade is in demand.

Without a stringent Criminal Code, there is permissiveness. This allows traffickers or the mafia to set up in countries that are more lax.

● (1650)

In addition, the 2000 United Nations report on trafficking in women recommends that countries review their overly restrictive, even anti-immigration, approaches, as I was saying. Earlier someone asked what we could do to be more understanding with respect to this type of trafficking. Some people want to emigrate to other countries where living conditions seem better. We could stop granting so many temporary visas to tourists, instead of putting the brakes on real immigration possibilities for some.

This is a recommendation from the 2000 United Nations report on trafficking in women. It is a question of responsible immigration policies.

There is fertile ground for the growth and perpetuation of the exploitation of women. Victims should not be treated as illegal immigrants. This is an area that could be addressed much more proactively. It is a matter of having policies on illegal immigrants, not treating victims as illegal immigrants or criminals, but as women, children, even men who have been abused by people who are part of a mafia, who want to exploit them and who take all human dignity away from those who have suffered this abuse.

A 2005 report by the International Labour Organization estimated that at least 2.4 billion people in the world are victims of abuse, threatened physically or psychologically by their attackers. Their labour is also exploited.

Some of these people are threatened physically, are forced into prostitution or jobs in various sectors that are poorly paid, if at all. There is the construction sector, for instance, but also agriculture, in which some people from other countries work. Here too there are abuses in regard to working conditions and pay.

This entire work-related sector represents US\$32 billion on a global scale. That is a lot of money. Who benefits? It is the companies that may pay a little less for clothing and all kinds of services and materials. At the same time, other people suffer the effects of reducing the cost of clothing or other things we use in our daily lives.

The report also emphasizes that forced labour can be abolished if governments and various national institutions take persistent, meaningful, political action. Bill C-49 can therefore be seen as part of a slightly more determined demonstration of their commitment to the abolition of certain conditions in which people live.

In addition, the legislation must be strengthened. The report states as well that governments should become involved in eradicating this kind of treatment of human beings. This concerns not just a country but the entire international community. According to the 2005 report of the International Labour Organization, we need to do more than simply encourage governments to change their laws and adopt policies to eradicate such treatment of human beings.

The report also calls for the creation of a global alliance. We cannot do this in isolation, each of us in our own corner. A global alliance is needed, involving all levels of government, employer and employee organizations, development agencies, financial institutions, civil society, research institutions and academics. It would be a grand coalition that could be much more vigilant on a number of social levels.

It is to be hoped that this scourge can be relegated to the past and ancient history. We hear that some countries have taken certain initiatives. For instance, the United States passed the Trafficking Victims Protection Act in 2000, which created new offences so that crimes in the criminal code could be punished more severely, as is now being done.

● (1655)

Moreover, the victims who cooperate with American authorities during the investigations are protected from deportation. The United Kingdom, France and Japan have also amended their legislation to include harsher provisions.

The fight against organized crime is also a step in the right direction. My colleague, the hon. member for Hochelaga, has worked very hard to get the government to come up with better targeted provisions against organized crime.

So, Bill C-49 is a good tool to prosecute those individuals involved in human trafficking. It is said that the fight against exploitation goes hand in hand with the fight against organized crime. Bill C-49 pursues that objective and it has the great virtue of broadening the scope of the tools available to prosecute individuals.

Criminal organizations engaged in human trafficking are first and foremost motivated by profit. The reversal of the burden of proof will facilitate the work of authorities and allow them to seize the property of individuals who are members of criminal organizations and who profit financially from the trafficking in persons.

The Bloc Québécois has long been asking for the implementation of measures to fight organized crime more effectively. Last year, the hon. member for Charlesbourg—Haute-Saint-Charles introduced Bill C-242 to allow for the reversal of the burden of proof, which would compel an offender who is found guilty of an offence related to organized crime to demonstrate on the balance of probabilities that his assets were obtained in an honest and legitimate fashion.

That is one way to go a little further than the bill before us does. We must also target organized crime. Indeed, based on all the reading that I have done, organized crime is a pillar of this trafficking of children and women. There is money to be made in it.

*Government Orders*

On March 11, 2005, an opposition day, the Bloc Québécois went a step further by presenting a motion forcing the government to table a bill to amend the Criminal Code reversing the burden of proof as regards the proceeds of crime. In response to this motion, which the House passed unanimously, the federal government tabled Bill C-53. It is essential to waging real war on organized crime and money laundering and to righting the injustice that has too long allowed criminals to profit from trafficking in humans.

Therefore, the Bloc Québécois urges the government to keep its promises and allow Bill C-53 to quickly become a reality. This bill was introduced by my Bloc colleague, the member for Charlesbourg—Haute-Saint-Charles.

As I said earlier, it is alarming and loathsome to see so many men, women and children being exploited. The theme of the 2000 World March of Women was poverty and violence, which are not too far removed from the consequences of human trafficking.

There was a committee on prostitution. Like the other parties, the Bloc will submit a report in committee about whether to decriminalize or legalize prostitution. I am not passing judgment on this important issue today. My colleague from Trois-Rivières has worked on this issue. She will tell the House about the various directions she would like to see taken with regard to this report. First, it will be subject to consideration in committee.

We must be careful when we talk about decriminalizing prostitution or drugs. It may encourage the prostitution of children, women and men. After the fall of the Soviet Union, for example, sex industry dealers engaged in the serious trafficking of women and girls from Russia and Poland to Germany and Western Europe.

• (1700)

Women, too often still minors, are terrorized, stripped of their papers and drugged. When they regain consciousness, they do not even know what city they are in. They are shipped from country to country like cattle. How can we ignore the many women and children all over the world who have disappeared? It is very troubling.

Today it is not only important to talk about the meaning of Bill C-49 but also to speak of all these victims and all these human dramas. I have seen a number of reports and programs on this. Very often families are affected. People go out in to the countryside telling young women they can get work in the textile industry or as hairdressers and promising them jobs. Not only are there no jobs, but they very often end up being sexually exploited.

Today there is a lot of misleading language being used. People often try to conceal the fact that this is slavery and not sexual freedom. There is a debate going on at present as to whether prostitution is a matter of free choice or nothing more than slavery. The committee that will study the report on the sexual exploitation of women will have to decide that.

There are 54 western countries, Canada among them, engaged in sex tourism and therefore controlling most of the “commodification” of women and children. So this is an issue of concern to all of us today.

I would have liked to have given more examples of these human dramas, but my time is up. I await my colleagues' comments and questions. I was very pleased to speak on this important matter.

• (1705)

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Thank you, Madam Speaker, for allowing me to put a question to my colleague, the hon. member for Québec. I know that she is doing an outstanding job on status of women issues brought before this House. There are two bills in particular, namely Bill C-53, which is currently before the committee—I will have the opportunity to work on it in the coming months—and particularly Bill C-49, which I hope will be passed by this House and referred to the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness as soon as possible.

I would like to ask my hon. colleague the same question I asked of the previous speaker. I did not get a very clear answer from the department or from the member opposite. I know that my hon. colleague has done extensive work on this issue.

There is a clause in Bill C-49 that is of particular interest to us. I will quote it. It deals with causing:

—by means of deception or the use or threat of force or of any other form of coercion, to have an organ or tissue removed.

Under Bill C-49, this would be illegal and would be prosecuted under the Criminal Code as aggravated assault and assault with a weapon. I wonder if this will apply to the same extent to the whole issue of female circumcision. This is an issue that has been much publicized, without ever being settled. With this bill, could those who, directly or indirectly, commit this kind of aggravated assault on women be prosecuted? That was my question to the hon. member.

**Ms. Christiane Gagnon:** Madam Speaker, we are talking about all those involved in the crime of trafficking in persons. Those who harbour them or participate in their trafficking will not be the only ones prosecuted under Bill C-49.

My colleague is giving me an opportunity to speak to the bill on female genital mutilation. This applies to everyone involved, not just the person performing this procedure, also called circumcision or infibulation, whether that person is the grandmother, uncle or cousin, everyone, especially the person who leaves Canada with the child and returns to the country of origin, is just as guilty and could be liable to imprisonment.

The bill before the House has the same scope as the one that was passed on female genital mutilation. I remember what a fight it was at first to have this practice included in the Criminal Code and to have it considered a criminal offence. It was not an offence in the past. Female genital mutilation was included in the Civil Code, but under assault. With this change to the Criminal Code I wanted to send a clear message. That is the important thing.

*Government Orders*

Quite often, in sentences handed down to those who commit such acts, the issue of respecting culture comes up. Culturally, this is accepted in some countries. I would argue that when someone comes here and wants to obtain Canadian citizenship, they need to respect certain values. We have to preserve the physical integrity of the body of the young girl on whom the excision would be performed, even though that young girl comes from another country, since she is now a Canadian citizen. Accordingly, this child was entitled to the same considerations as a Canadian-born girl.

I am very pleased with this bill. It addresses the whole system and all the ramifications of people who work in and profit from trafficking in persons.

● (1710)

[*English*]

**Mr. Don Bell (North Vancouver, Lib.):** Madam Speaker, I am pleased to rise today to speak on Bill C-49, the act to amend the Criminal Code in regard to trafficking in persons.

These proposed reforms will strengthen Canada's response to this horrible crime, a crime that victimizes the most vulnerable. We know that children are disproportionately at risk of being trafficked. UNICEF has estimated that as many as 1.2 million children are trafficked globally each year. The International Labour Organization has estimated that of the 2.45 million people who are in situations of forced labour at any given time as a result of trafficking, 40% to 50% are children.

Children, along with women, are generally the primary victims of trafficking. In fact, they are almost exclusively the victims of trafficking for sexual exploitation. The International Labour Organization estimates that 98% of those forced into commercial sexual exploitation are women and girls.

This estimate reflects just how susceptible the most vulnerable members of our society are to this crime. Although children are the most vulnerable to being trafficked for sexual exploitation, they are also forced into other kinds of work such as domestic labour, which often involves sexual abuse. In some parts of the world, children are also trafficked for their body organs, if we can believe it, or as child soldiers. These children are treated like objects to be owned, used, sold, mistreated and abused.

Children's evolving capacity and dependency make them the most vulnerable members of society. They are at a much higher risk of being exploited and abused, and those who suffer socio-economic and other disadvantages are at an even greater risk. No child should have to suffer like that.

I understand that Canada is actively engaged, both domestically and internationally, in the fight against trafficking. I am convinced that our efforts put us on the right track. We must continue to be at the forefront of this global effort.

Canada's ratification on September 14 of the optional protocol to the convention on the rights of the child, on the sale of children, child prostitution and child pornography, is one example of this government's commitment to protecting children from trafficking and other forms of abuse and exploitation. Bill C-2, which received royal assent this past July, is another example.

Bill C-49 contains criminal law reforms which, once enacted, would expand the availability of existing testimonial aids to children as well as to other vulnerable victims and witnesses to ensure that such victims can provide a full and candid account.

I am proud to rise today to support Bill C-49, which proposes three new offences that will specifically target trafficking in persons. It will strengthen our ability to hold perpetrators to account for treating others in a way that is unfathomable and abhorrent to Canadian society and the world. These reforms will offer law enforcement additional tools to combat trafficking-related conduct and will assist in protecting victims by denouncing and deterring this heinous practice.

The proposed new reforms would create a main offence of trafficking in persons, prohibiting anyone from engaging in specified acts such as recruiting, transporting, harbouring or controlling the movements of another person for the purpose of exploiting or facilitating the exploitation of that person. It would be punishable by a maximum penalty of life imprisonment where it involves the kidnapping, aggravated assault or aggravated sexual assault or death of the victim and to a maximum of 14 years' imprisonment in any other case.

I note with approval that exploitation would be a key element of the trafficking offence. Exploitation is really the aspect that makes this crime so reprehensible. I support this approach, as it would clarify that our criminal law sanctions severely those who would exploit others for their own gain.

● (1715)

Two additional offences would also be created, one prohibiting anyone from receiving a financial or other material benefit for the purpose of committing or facilitating the trafficking of a person, punishable by a maximum penalty of 10 years' imprisonment, and the second prohibiting the withholding or destruction of documents, such as a victim's travel documents or documents establishing their identity, for the purpose of committing or facilitating the trafficking of that person, punishable in this case by a maximum penalty of five years.

I am convinced that this bill, once enacted, will assist law enforcement in holding to account those who would traffic children to exploit them for sexual or other purposes. It will help us deter this type of conduct and, in so doing, it will help us protect vulnerable children. I hope all hon. members will support Bill C-49.

**Mr. Randy White (Abbotsford, CPC):** Madam Speaker, I want to talk about the things that we support in Bill C-49. I am going to relay to members of the House and people listening across this country some situations that I have been involved with that involve exploitation. They are not situations involving the exploitation of somebody outside the country; it is the exploitation of somebody here in our country.

*Government Orders*

What I am about to describe happens all the time to young girls and boys in Canada. I am going to tell the House about a young man who was in grade 11 who was approached by a gang of bottom dwelling thugs who sell drugs. These thugs approached him with bats and golf clubs and said that they would not only beat him but they would thoroughly and resoundingly pound his younger brother and sister and grandmother if he did not join them. I am telling this story for the first time and everything is absolutely factual. This young man decided to go with this gang because he did not want his family harmed. He was taken away to a home in the city and tortured. He was deprived of sleep and food and was beaten quite resoundingly.

They said that he was now a member of their gang and that he would be the muscle, meaning he would collect drug bills. It is also the most dangerous job one could get in a gang that sells drugs. Normally the people who owe the gang are delinquent. When someone as the muscle goes to collect from them, that person may be harmed, shot or any other such thing.

This young fellow managed to get away from that group. He went into hiding. He thought he was safe. He went out a little while later and the gang got him again. They beat him resoundingly. I am talking about a 16 year old.

It is said that once people are in a gang in Canada they are in it forever.

The gang assigned to this young fellow a debt owed by another fellow who worked for the gang who had been picked up by the police and lost \$3,000 worth of drugs. He was told he must pay this debt. He could not pay it of course. He was not paid for being muscle because he was in fact coerced into going with them.

The young fellow got away from them a second time, but the third time he was not so lucky. They tortured him. They burned his hand thoroughly with a knife blade right through his hand. He is currently in hiding.

Why do I relay this story? This is not about somebody we are shipping out of this country. This is something that is happening to children every day in Canada. This is not an isolated story. This is about what I call bottom dwelling thugs who think they can run our communities by stealing our kids off the street and threatening them and getting them into the drug trade. Once they are into the drug trade, they eventually are wanted by the police or other drug dealers. The police do not know any different. As far as they know the individual is in the drug trade.

● (1720)

This young man was forced into that. He has never done drugs. He has never gotten into trouble at school. He has passed every year. But now he cannot get into school because he poses a risk to the other students should he go back in and the gang tries to get him.

If we talk about exploitation of our children, we had better wake up to the fact that they are being exploited in our communities by people who think they should run our communities their way. This happens a lot in Vancouver. It happens in every city across the country. There are people who do not deserve to be outside; they deserve to be in jail, quite frankly. They are exploiting our children. When children go missing and we cannot understand it, we should

not first think that they got into drugs and left home. There could very well be other reasons, such as they have been taken by a gang and coerced into doing what they are doing. In fact, they may even be protecting their families because as far as they know great damage would come to their families and their siblings should they not do what they are told to do. This is serious. This bill on exploitation of people had better cover this.

My question earlier to colleagues on the other side asked whether or not the maximum penalties would be a decent deterrent. My concern is that we will end up like we do on a lot of the drug issues, that these kinds of issues will end up in court and the judge will issue some minor penalty.

One might ask why this young fellow did not go to the police. Well, he did, of course. The comment from the police was that he should leave town and finish grade 12. Why was that comment made? Because if the gang members ended up going to court, they would likely get little or no penalty and would come looking for him. The police suggested that he leave town. That is just unacceptable. What that is saying is that we have lost confidence in the court system to issue adequate penalties to these bottom dwelling thugs who will only go back and make life miserable for this young man and his family. This is unacceptable.

We have lost confidence and the police have lost confidence in our judicial system to administer the justice system, to add deterrents for people like that. That is why I say there is a serious problem. The maximum penalties, if the judges issue minor penalties, we might as well kiss them goodbye when these young people come to us and say they need help. They will not come forward, as this young man does not want to, because they do not believe they can get help.

I am sincere when I say this to members on the other side. This is a good bill, but my concern is that if there are no minimum penalties for such disgusting behaviour by these bottom dwelling thugs, nothing is going to happen. They are going to continue to take kids off the street and abuse them.

This young fellow has been in hiding for five or six weeks now. He cannot stay there forever, but he is afraid to come outside. What do these thugs do? They do not wait for him to come and join them, they go get other children. They get another one, and if that does not work out, they will get another one. When does it become our children that they get? At what point do we say they cannot have any of them, that it is they who have to leave the community? This has got to stop.

● (1725)

I hope this bill is a good bill, I sincerely do, but we must give confidence to these young men and girls who are being exploited in their own communities to be muscle or to drive those drug cars. It happens all the time. What I related to members is not an isolated incident. I can tell members about the young girl who was in a crack house being exploited by 30 and 40 year old men. When her mother went to the police and said she had to get her daughter out of there, they said, "The age of sexual consent is 14. She can stay. She is 15 years old". The mother could not go get her. They went to welfare, who said to send her over and they would give her a cheque. What kind of answer is that?

*Government Orders*

The problem lies in the confidence, or the lack thereof, in our justice system. I am not trying to make politics out of this. I have been in and out of these courtrooms for 13 years with victims of crime. I know what I am talking about. We do not have confidence in the judicial decisions any more. I have seen it in hundreds of cases related to the growing of marijuana. I have seen it in dozens of cases related to crystal meth. I have seen it with James Armbruster, who had 63 prior convictions before he raped yet another woman in my riding. One of those convictions was for raping his grandmother. Do we have confidence in those judges who should have put that person behind bars after 10, 15, 30, 40, 50 or 60 convictions?

Maximum penalties are not doing the trick. We in this House have an obligation to put an end to the tyranny of these drug gangs and these frequent and consistent repeat offenders.

I think I got my message across. I hope those who are watching outside of this House send e-mails to acknowledge their frustrations with the court system that is not addressing the problem. This young man needs help. So do the young men and women who are being coerced into these drug gangs every day. We have been looking at this wrong.

I spent a lot of time with people involved in drugs. Often people say, "Well, another kid gone bad. He must be doing drugs, breaking the law". I did not realize the extent to which they are being forced to be involved in these drug gangs, until now. I have run across it a number of times. I know what we are addressing here but what is bothering me and what we must keep in mind is that trafficking of people is going on in our communities as I speak.

● (1730)

I can talk about high schools and their sex clubs. Does everybody know what a sex club is? A sex club is young girls doing tricks in high school. They do a trick and they get a cap or they get a joint laced with meth or whatever they are looking for. They do not see this as prostitution. It is seen as a one on one trade but it is exploitation as its worse. These young kids may think it is trade but they get the worst deal of all: a life of addiction. This kind of stuff is exploitation. It is not just grabbing a child or somebody off the street and sending them to China or some other country. Exploitation is going on in our schools every day.

We have a minority government situation. It really is incumbent upon all of us to quit with the partisan politics. We need to start listening and if this is the case and it is in our communities, and it is, then we need to do something about it. I sincerely hope this bill addresses it but I fear it will not. I am leaving the House of Commons but I hope those left after me will think of this and keep on top of it because this young man today needs our help. He has no confidence, nor do I or the police, that a judge is going to give it to him.

By the way, after the lawyer, who is paid by the known drug gang, gets through defending these thugs that is when the plea bargaining starts, the deals are made and the judge says that he knows the poor little boy kidnapped somebody and forced the person to deal drugs but he had a bad upbringing. We have to forget that kind of story. These people are hauling our kids out of school. One of the conditions these people have is that they cannot go to school.

Who are these people? Who in the name of blue blazes do these people think they are? Do we not run this country? Are we not in charge? Is someone not capable of hauling these people off the streets and doing something with them?

I support the bill but I sincerely hope the government moves away from this business of maximum penalties. I have seen too much for too long to have confidence that it will be applied appropriately. There are too many people counting on us to do better.

\* \* \*

● (1735)

[*Translation*]

**BUSINESS OF THE HOUSE**

**Hon. Claudette Bradshaw (Minister of State (Human Resources Development), Lib.):** Madam Speaker, I rise on a point of order. Pursuant to Standing Order 73, I would like to inform the House that it is our intention to propose that Bill C-53, an act to amend the Criminal Code (proceeds of crime) and the Controlled Drugs and Substances Act and to make consequential amendments to another act, be referred to committee before second reading.

[*English*]

**Mr. Randy White:** Madam Speaker, I believe the member opposite said Bill C-43. I am not sure there has been any consultation on this side so at the moment I am inclined to disagree with that.

**Hon. Claudette Bradshaw:** It goes to second reading automatically.

**Mr. Randy White:** If it goes to second reading automatically maybe she does not need the point of order. However unless I hear differently from the other side I am going to oppose it.

**Hon. Karen Redman:** Madam Speaker, I believe my hon. colleague said Bill C-53.

**The Acting Speaker (Hon. Jean Augustine):** My understanding is that the minister referred to Bill C-53. It is my understanding that it is the prerogative of the government to move this forward.

**Mr. Gerry Ritz:** With no unanimous consent required?

**The Acting Speaker (Hon. Jean Augustine):** No unanimous consent is required.

\* \* \*

**CRIMINAL CODE**

The House resumed consideration of the motion that Bill C-49, An Act to amend the Criminal Code (trafficking in persons), be read the second time and referred to a committee.

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, I listened with great interest to my colleague's comments. He has a great deal of experience in these areas.

*Government Orders*

We know that organized crime is parasitic on society. We also know that it is the trafficking of drugs, people, guns and alcohol which drives the economics of organized crime. One of the best ways to attack organized crime and reduce it is to attack its financial underpinning. The question then is how we do that.

We know that the United States has adopted RICO-like amendments, racketeering, influence, corruption organization amendments. We also know that the Government of Canada has adopted similar amendments.

With respect to the scourge of crystal meth that the hon. member and indeed all of us are consumed with, we have done something quite innovative. The Minister of Justice has decided to put the precursor chemicals that are used to make crystal meth on a schedule. These are things that are commonly found in cough medicines, such as ephedrine and pseudoephedrine. By putting those elements on the schedule it forces those who wish to import and export these substances to acquire import-export permits which will allow our police to address, attack, apprehend and convict those individuals.

On the issue of human trafficking, which has to do with prostitution, would the hon. member think that legalizing and regulating prostitution would be a way to actually address the issue of prostitution, particularly for those individuals who are under age and are caught up in the prostitution rings? These are people involved in prostitution because of substance abuse or psychiatric problems, bearing in mind that 50% of prostitutes in this country are actually aboriginal women, some of the most vulnerable people in our society.

If prostitution were legalized and regulated in Canada would my colleague think that would go a way to addressing the problem of the pimps and organized crime members and a way in which we could reduce and eliminate under age individuals becoming involved in the system? This would enable prostitution to hopefully be healthier so that the individuals engaging in this activity will have better health.

● (1740)

**Mr. Randy White:** Madam Speaker, my oh my, when is this going to stop?

We have a government with this mentality that legalizing drugs or legalizing prostitution will take care of the problem. Legalizing prostitution does not take care of the problem.

Prostitution is an offence against women. This is what it is. Ask any mother if she thinks the legalizing of prostitution is a good idea for her daughter. I cannot believe the mentality of somebody saying that legalizing prostitution will fix it. Has the member never been to Holland? Has he never watched that disgraceful sideshow of women standing in storefronts and people outside staring at them?

What is with this mentality that if drugs are legalized they will go away? Does the government think that if it legalizes marijuana the criminals will pack up their bags and go to some other country? These criminals are going to feed our kids meth, ecstasy and everything else.

I am disappointed in that question because I think the member already knew my answer to it. Prostitution is the abuse of women. It is not an issue to be legalized. Let us get it right.

**Mr. Myron Thompson (Wild Rose, CPC):** Madam Speaker, I thank my colleague for a very well put message with regard to the safety of our youth and as a matter of fact the safety of a lot of people.

I have many small towns in my riding with police detachments. I went to these detachments through the summer and I was shocked to find the number of confiscations of goods, drugs, guns, knives and paraphernalia for this and that taken out of the hands of small town residents in Alberta over this last little while.

Police have expressed to me their strong concern about the safety for all concerned, especially the youth but even about themselves. They feel that society as a whole seems to have turned its back on them as being a substance of protection. They are constantly being abused verbally by these organizations outfits. It is getting to be a very serious problem. It is not just in big city Canada. Crystal meth, this lacing of marijuana with this drug and the lacing of ecstasy is all across the country.

All of these things are getting out of control. I do not think the government understands that it is in our small communities.

I want to talk about a young fellow who is in trouble. I had a family from New Brunswick phone my riding telling me about a young fellow who came to my riding to work in the mountain parks region. They were quite concerned because they had not heard from him and had reported him missing. I went to visit the police and they began to look for this young fellow. The police found him but he was in hiding. He was hiding from people who were after him because of his involvement with drugs and underground goods. The police are keeping his whereabouts quiet for his own safety.

I wonder what the member thinks about all this. Do we want to live in a country where we need to hide our children or have them protected by the police so no one gets to them or do we put those who might get to our children behind bars where they darn well belong? We had better start acting like it.

● (1745)

**Mr. Randy White:** Madam Speaker, one of these gangs, another little gang, kidnapped a young man from his car and threw him into a van. They got into a high speed chase with the police, smacked into another van and killed an innocent lady at an intersection. The van contained guns and drugs. They all ran away from the scene of the accident and left her to die.

I was in the courtroom when these guys appeared before a judge and three of the four gang guys got off and the driver got dangerous driving. There was no charge for the gun and no charge for the drugs because they were smart enough to know that if they said it on the floor somewhere the lawyers would say that they did not know it was there.

That is why when there is a crack house the drugs and the guns are usually right across the street so that they keep an eye on them. If there is a drug bust the police do not associate one with the other and the lawyers get them off.

*Government Orders*

In court a lawyer asked the young man who was kidnapped what he did and he said that he delivered. He was then asked what he delivered and he said that he delivered drugs. He was then asked whether he liked it and he said that he did not and that his supervisor had put him on the evening shift. We could have sworn that he was talking about pizza deliveries. He was then asked how he felt about delivering drugs and he said that they needed it. He completed disassociated himself from this.

That is the attitude going on out there. Our lawyers have to stop defending bottom dwellers like this. They have to sit down with prosecutors and say that they have a common problem and try to resolve it, instead of trying to get anyone off who will pay them. There is a bad attitude in these courtrooms and it has to change.

[*Translation*]

**Mr. Réal Ménard (Hochelaga, BQ):** Madam Speaker, I would like to thank you for allowing me to participate in this important debate on Bill C-49, which is clearly on a timely topic, trafficking in persons.

A few years ago, we were concerned about cross-border crime. Moving forward, we have realized that there is now something that is just as great a concern, namely trafficking in persons. The United Nations has set up a special working group on trafficking in persons. It has determined that about 15 million people a year could be subject directly or indirectly, within various migratory flows, to trafficking or the sex trade or exploitation.

This is therefore a very important question. During my speech, I will have occasion to refer to a document on sex workers and prostitution that was provided to us in connection with our work on the Subcommittee on Solicitation Laws, created by the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness. This document was produced by Citizenship and Immigration Canada and also the RCMP. It is a joint classified document which we obtained through our clerk. It is very interesting because it is a matter of costs and large international circuits with consequences on the human level and for national security. "National security" is used here in reference to illegal immigration into Canada.

I would like to start by thanking two fellow citizens who came to see me in September. I am speaking of Danielle Julien who works for Franciscans International, an NGO that has followed very closely the entire international migration question as well as trafficking in women and, more especially, their exploitation. Franciscans International has come up with a document that is very well done called Handbook on Human Trafficking. It explains in a very educational way the issues surrounding human trafficking. I was extremely surprised to learn that Canada had not ratified.

Today, we are talking about Bill C-49, an extremely important bill, which the Bloc Québécois supports. Our party's justice critic, the member for Charlesbourg—Haute-Saint-Charles, said so this morning, and I believe the member for Québec, our status of women critic, reiterated our position. I was extremely surprised to learn that the government has not ratified the 1949 convention on the traffic of persons. It is cause for serious concern to now have a bill on such issues when Canada could have done so much more in international

tribunals. A number of countries have ratified this convention, but not, unfortunately, Canada.

There are a number of tools. I want to list a number of conventions, including the one entitled "Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others". This convention dates back to 1949, very early in the history of the United Nations, which was established in 1945. Nearly five years after the UN was created, in an already multilateral framework, member countries were taking an interest in the issue of human trafficking. Most people know, and we must admit it, that we are referring here to the trafficking of women.

It is quite incredible; I could not believe my ears. When the Franciscans came to my office in early September to talk to me about this issue, they told me that Canada had not ratified this convention. I hope that someone will explain why. I hope that the parliamentary secretary and other MPs on the government side will tell us why Canada has not ratified this convention.

• (1750)

I have a list here of the countries that did ratify that convention in 1949: they include Afghanistan, Argentina, Bangladesh, Belgium, Bolivia, Brazil, Bulgaria, Cameroon, Colombia, Cyprus, Congo, Ivory Coast, Dominican Republic and Egypt. A number of countries have ratified it, but Canada still has not.

Fortunately, even if Canada has not ratified the 1949 convention, it has ratified another extremely important document, the Protocol to prevent, suppress and punish trafficking in persons, especially women and children, supplementing the United Nations Convention against transnational organized crime.

The document I referred to earlier, a joint effort by the RCMP and Citizenship and Immigration Canada, provides a sort of ranking as far as trafficking in persons is concerned. We know that there are four countries in the world that might be called high immigration volume countries, and one of these is of course Canada. We receive between 220,000 and 240,000 immigrants yearly. On October 1 each year, the Minister of Citizenship and Immigration has to disclose the planned quotas for immigrants.

I will point out in passing that Canada specializes more in economic immigration. The main interest is in independent workers, investors and family helpers. That is economic immigration and basically accounts for over 75% of those who immigrate to Canada.

So, we have four countries with a large volume of immigration: Canada, the U.S., Australia and New Zealand.

Another aside: Canada and Quebec have not made the same choice as far as models for integration are concerned. Canada has opted for multiculturalism, which means that people who have chosen Canada, whether they come from Poland, Spain, Senegal, Côte-d'Ivoire or the Dominican Republic, can maintain their culture of origin but must participate in the great melting pot of the ideology that is multiculturalism.

*Government Orders*

In Quebec, because Quebec is a francophone society with a particular historical responsibility, we have not opted for multiculturalism. We have opted for a common public culture. Quebec selects approximately 40% of its immigrants. It selects mainly those who come here to work. We will select a few refugees in camps outside their own country, but essentially this is also economic immigration.

Of course, in a sovereign Quebec, we will be fully aware of the importance of selecting our immigrants. I will make another digression here. I do not want to get too far away from the issue, because this is not what my comments are about. However, one of the modern reasons why Quebec should achieve sovereignty is to be able to select its immigrants. Quebec needs immigration. We have a tradition of opening our doors to immigrants and of being generous with them. It goes without saying that since Quebec does not have a fertility rate that allows for the natural reproduction or replacement of its population, it needs immigration. In a sovereign Quebec we will set up extremely generous policies to select, welcome and integrate immigrants, based however on a common public culture.

The former poet, the late Gérald Godin, who was the MNA for Mercier, and who was very appreciated in sovereigntist circles, and whom the hon. member for Acadie—Bathurst knew, used to say that there are one hundred ways to be a Quebecker, but that these one hundred ways all had a common denominator, namely the French language.

● (1755)

This is why we rejected the multiculturalism model. We are saying that one can choose Quebec, but to do so is to participate in the common public culture. That participation is achieved through a communication vector, namely the French language. That was my short digression, which of course is totally non partisan. We are all aware of the level at which our debates should take place.

So, I am now getting to the issue of human trafficking, which is an extremely important issue, at least as important as the trafficking of goods or the illegal transborder trade. The UN set up a task force in which Franciscans International, as an NGO, is recognized as a stakeholder. I looked for some figures for Canada.

I remember that when the committee was working on the issue of prostitution, we were looking for figures. It is not easy to get an assessment on such an issue.

I obtained a confidential and protected document prepared in 2002 by Immigration Canada and the RCMP. I am referring to the first paragraph, on page 6, which says: "Over a five year period, about 13% of improperly documented arrivals that came to Canada or that were intercepted en route to Canada were directly related to a trafficker or an escort".

This means that 13% of the people who entered Canada in various ways, by air, sea or land, did not have a passport or official travel documents, and of course, did not have a visa permitting them to enter.

A little further along in the document, the RCMP and Immigration Canada make the following assessment: "If only the people arriving by airplane are considered, this proportion rises to 25.1%."

A look at the literature on illegal immigration will show that, for Canada, it is about 10,000 people a year. This is not an insignificant number. As lawmakers, we have good reason to be concerned about this.

There is another more humanitarian consideration. We know that there are people all over the world going through upheavals in their countries: genocide, the overthrow of the political regime, famines. They are going through terrible times. Therefore they want to leave their countries. What would we do if we were in their shoes, in the Democratic Republic of the Congo, for example, or Niger, or certain countries in Africa where people cannot survive on \$1 a day? We should ask ourselves the question. It is possible that we too, as human beings, would be tempted to want to improve our fate and leave our country of origin. It is not unpatriotic to want to improve one's fate.

It should be understood that in terrible situations like those I just described, people are vulnerable and put themselves in the hands of traffickers. This is why there is illegal international immigration. People take advantage of the misfortune and unhappiness of others. They demand money and hold out the possibility of coming to live in a third country. In my example, of course, we are speaking of Canada.

The document from the RCMP and Immigration Canada estimates the amount that is asked from these poor people living in anguish. I would like to quote from the document: "The fees paid by migrants to enter Canada are high. They are said to be rising. The cost depends on the means of transportation and the market. According to illegal migrants, the fees vary between US\$20,000 and US\$50,000."

US\$50,000 is easily C\$70,000.

● (1800)

"Few clients are able to amass the necessary funds by liquidating their personal assets, and even fewer are prepared to risk such a large sum by paying the full price before reaching their destination. A portion of the cost of human smuggling, perhaps as little as 10% to 20%, is paid in advance. The rest is collected upon delivery to the final destination."

Remember that we are not talking about goods here but rather about human beings.

"Partial payments of the price for smuggling may be demanded at various stages of the journey."

That is why Bill C-49, which the Bloc Québécois supports, is so important. From now on, the Criminal Code will set out sanctions and offences. Smugglers found guilty of such a crime could face life in prison. Document forgers may easily face 10 years in prison.

When the UN Commission on Human Rights last met, for example, it mandated a special rapporteur to report before the next UN general assembly. So this is an extremely important issue that deserves the full attention of parliamentarians.

*Government Orders*

I was saying earlier that Canada has not ratified the 1949 convention. I hope that someone will tell me why. I do not understand how this bill can be adopted here, by parliamentarians, when, in a multilateral forum, a convention dating back to the early years of the UN has not been ratified.

This convention was important nonetheless, however, because it created a legal system to fight the traffic of persons and the exploitation of the prostitution of others, now called procuring, by individuals serving as intermediaries. Procuring feeds on prostitution. The convention made it a crime to arrange for or profit from the prostitution of others.

This system affects women, children and some men, but obviously this reality applies mainly to women.

Canada's ratification of the 1949 convention must be a source of concern. As Franciscans International pointed out to me, it is extremely embarrassing when NGOs are working with the UN Human Rights Commission, for example, and there is talk of a bill, like Bill C-49 or Bill C-2 in the past, yet the convention has not been ratified.

I will say something about the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime. That protocol contains something of interest, something that is in fact basic: the whole issue of victim consent. This protocol is an important tool.

For the first time, this protocol gives a definition of the phenomenon which consists of abuse of authority, as well as one for victim consent. We know that traffickers often make use of threats, blackmail, constraints, kidnapping, fraud, trickery, false promises, swindles and abuse of authority. The trade exists because of these ingredients.

This protocol, which has been ratified by Canada, is one of the means that has been used where victim consent, whether freely given or invalid, cannot be used as a pretext to excuse some action by a smuggler.

• (1805)

In other words, the mere fact that these means have been used is sufficient in itself to bring the law into play, regardless of the victim's wish or acceptance of the exploitation.

In closing, let me say that this is a bill supported by the Bloc Québécois and dealing with an extremely significant phenomenon. The entire Bloc Québécois parliamentary team will work diligently to help it pass.

• (1810)

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, it is interesting to hear the member's commentary on the immigration differences in Quebec versus the rest of Canada. I was a little concerned that there was maybe a little too much attention on trafficking. I still have some difficulty with the idea of trafficking in persons as opposed to exploitation of persons because we have international as well as domestic exploitation in so-called trafficking. The issue of concern to me is whether there are the means and the

resources available to those who have to defend and enforce the laws that we pass. The member will well know that it is not always federal authorities. It is very much provincial authorities and these have been problems in the past.

Many members today have dwelt on sentencing issues. That is a whole other area and I do not want to go there. I am a little concerned about the resources and the means of the provincial policing authorities to defend and protect people and to prevent these crimes as well as to deal with those who are found to be guilty of some of these horrendous offences.

Would the member care to offer any comments about the supports and the interaction it would need at all levels of government and policing authorities to ensure a bill like this is effective?

[*Translation*]

**Mr. Réal Ménard:** Madam Speaker, I think this is an important issue. I agree with my colleague. Trafficking in women is necessarily exploitation, but there are types of exploitation that are different than trafficking in women. This is without a doubt a nuance that I should have made in my speech. Clearly, the focus was on trafficking in women.

I would say to my colleague that there are some who think the entire family aid worker and domestic help program is a form of exploitation that should not be encouraged, but that is a whole other debate.

It is true that when 200,000 to 240,000 new immigrants arrive, there is a chance that a number of irregularities will work into the system. I believe Citizenship and Immigration Canada has conducted studies that found that, just like in all the major social programs, no more than 10% of people are guilty of fraud or have broken some provision or other of the legislation. I would not want anyone to think there is an automatic link between immigration and fraud. Let us be clear that most people who get a visa, a work permit or a study permit respect the terms of these various permits.

I also understand from the latest performance review of Citizenship and Immigration that law enforcement provisions have been enhanced. My colleague is absolutely right to try and ensure that deportation measures are applied whenever people are illegally detained in Canada.

I will conclude by saying that we need to think about the Immigration and Refugee Board, which has long epitomized patronage for the various governments that have been in place. The Immigration and Refugee Board has not always been diligent or efficient in determining refugee status. This certainly has something to do with the fact that some people who have been here in Canada for five, six, seven years have rebuilt their lives. When they are told that under the Geneva Convention they are not real claimants, it is difficult for them to leave. Something needs to change in the way refugee status is determined.

*Government Orders*

• (1815)

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, I want to congratulate my learned colleague, the hon. member for Hochelaga, on his brilliant presentation. If I may, I would like to briefly go back to the fact that, in 1949, Canada did not ratify a UN convention.

I was wondering if, after almost 50 years, we would make up for this delay with Bill C-49, which the Bloc Québécois is asking the House to pass as quickly as possible.

I am putting the question to my colleague. In his opinion, why is it that Canada did not fulfill its obligations towards the UN in 1949 and that today, almost 60 years later, it is tabling a bill that is essential to protect the public? What the public wants is that such a bill be adopted at the earliest opportunity.

I wonder if my colleague could provide me with an answer, following the meetings that he had over the summer regarding this legislation.

**Mr. Réal Ménard:** Madam Speaker, the question is particularly relevant, and typical of our colleague from Abitibi-Témiscamingue.

When I met with the Franciscans International, they provided me with the ratification schedule. With respect to the convention in question, for example, more than 100 countries have ratified it. I am not familiar with the details of this convention, however, and I do not know why Canada did not ratify it.

I hope that someone on the government side—the parliamentary secretary or anyone else in a position of authority—will be able to enlighten us. This is very disturbing. I think this situation ought to be remedied.

Of course, my hon. colleague understands that this in no way affects the relevance of Bill C-49. The Bloc upholds its brilliant tradition of defending the interests of Quebec. As the hon. member for Laurier—Sainte-Marie points out in many of his speeches, when a bill is good for Quebec, the Bloc supports it, and when a bill is bad for Quebec, the Bloc opposes it. In this particular case, we stand for the interests of Quebec and will therefore support the bill.

[*English*]

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, I listened with great interest to my colleague's comments. He knows that his province of Quebec has a very serious problem with the trafficking of not only people but of guns, drugs, alcohol and other contraband, particularly at Kanesatake and Kahnawake.

The issue at hand is a very serious one for police officers. They find it very difficult to deal with an issue that has become much more than one can find within Kanesatake and Kahnawake reserves. It is one that deals with issues across the border between Canada and the U.S., and is intimately entwined with organized crime. Our hearts have to go out to the aboriginal people who live on the reserves and the terrible problem they have with organized criminal gangs, aboriginal and non-aboriginal, that act like parasites within those communities and essentially destroy and eviscerate a lot of the social structures within those areas.

The hon. member knows the area quite well and the problems with which the aboriginal people are confronted. What advice could he give the Government of Canada and how we could help the RCMP to deal and address the serious problem on those reserves?

[*Translation*]

**Mr. Réal Ménard:** Madam Speaker, I thank my hon. colleague. This is a very relevant question. This is something that is of concern to me as a Montrealer.

I few weeks ago, I attended a press conference with tobacco manufacturers and people involved in retail. As far as tobacco smuggling is concerned, we must recognize that our colleague was right when he spoke of the native reserves.

I have put a motion before the Standing Committee on Health. My colleague from Marc-Aurèle-Fortin did the same at the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness, and so did my colleague from Saint-Hyacinthe—Bagot at the Standing Committee on Finance. We have put forward four proposals dealing with tobacco taxation, among other things. We have called for a campaign to ensure compliance with tobacco product labelling requirements. We have considered a moratorium on new production licences in Indian reserves.

I would gladly send the hon. member a copy of the four motions we have put before these various committees. I thank him for sharing his concerns, which are completely legitimate.

• (1820)

[*English*]

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Madam Speaker, I am pleased to have the opportunity, even at this late hour, to speak to Bill C-49. I want to take the opportunity to recap some of the items in the bill that relate particularly to vulnerable persons.

We have heard some very eloquent testimony here this afternoon on some of the situations that young people in this country find themselves in. The message that Bill C-49 sends is both strong and clear. It sends the message that the full force of the criminal law will be brought to bear on those who seek to take advantage of those who are indeed the most vulnerable among us.

We know that the crime of human trafficking disproportionately impacts on vulnerable people, particularly women and children who are preyed upon, exploited and abused for the profit of others. About 98% of those forced into commercial sexual exploitation are women and children. They are often lured through false promises of employment and working conditions that would benefit them and their families. This type of exploitation runs contrary to the very essence of who we are as Canadians and what we value: equality, liberty and justice.

Bill C-49 would strengthen our legal framework to combat trafficking by creating three new criminal offences. These offences directly address the very heart of this terrible crime of exploitation.

*Government Orders*

The main offence of trafficking in persons would prohibit anyone from recruiting, transporting, harbouring or controlling the movements of another person in order to exploit or facilitate the exploitation of that person. It carries the Criminal Code's strongest punishment, up to life imprisonment, accordingly reflecting the abhorrent nature of this crime, the impact it has on its victims, and importantly, society's condemnation.

As I indicated, exploitation is at the very heart of this crime and Bill C-49 properly acknowledges this fact by making it a key element of the offence. This approach is important. It reflects the international community's understanding of human trafficking and more importantly, squarely addresses the very behaviour that targets the most vulnerable among us. Bill C-49 proposes to create two additional offences providing law enforcement with an expanded ability to address the full range of conduct involved in human trafficking.

The second offence would prohibit anyone from profiting from the misery of others. Bill C-49 would make it an offence to receive a financial or other material benefit knowing that it resulted from the trafficking in persons. This offence would be punishable by up to 10 years imprisonment.

The third offence would criminalize the withholding or destroying of travel or identity documents in order to commit or facilitate the trafficking in persons. This is an integral response to trafficking because we know that traffickers often withhold such documents in order to maintain control over their victims in essence to ensure that victims' vulnerability is perpetuated.

Canada continues to be in the vanguard of nations in the global struggle against injustice and inequality. I am pleased to note that Canada has recently ratified the optional protocol to the convention on the rights of the child on the sale of children, child prostitution and child pornography. This ratification underscores our commitment, both domestically and internationally, to protect children from all forms of exploitation including trafficking.

• (1825)

Bill C-2, which received royal assent in July, further underscores this commitment. Bill C-2 builds upon already expansive criminal law protections and offers even greater protections for children and other vulnerable persons through enhanced penalties for those crimes involving the sexual exploitation of children and through expanding the use of testimonial aids to children and other vulnerable persons.

The government has an ongoing and strong commitment to the protection of the vulnerable and I believe that Bill C-49 is a further step in the right direction. I understand that the whole of government's approach to trafficking reflects the international community's approach to human trafficking, namely, to prevent trafficking, protect its victims and prosecute the offenders. A working group has been tasked with the development of a federal strategy and that work, I believe, is currently underway. Bill C-49 is an important part of this comprehensive approach and it will help us accomplish these prevention, protection and prosecution objectives.

I appreciate that Bill C-49 represents one component of a larger federal response to this issue and supports as well the government's numerous activities to combat trafficking in persons in all its forms.

These include, for example, partnering with members of civil society to develop the capacity to properly respond to the needs of victims of this terrible crime. I also understand that the government has been active in developing prevention and awareness materials and in delivering training seminars on the dangers of human trafficking.

I, along with most members of the House, support all of these efforts. Bill C-49 is a critical step toward better addressing human trafficking in all its manifestations, both domestically and internationally. It proposes welcomed criminal law reforms that will enable Canada to continue to show global leadership on the protection of the vulnerable. I hope all members of the House will strongly support this bill. It is an important one for our communities.

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, I found my colleague's comments very interesting as she got to the nub of the matter which is this big challenge of trafficking.

I draw the attention of the House to a very good study that was done by the United Nations. It did a comprehensive overview of the trafficking in people, particularly looking at the Far East and West Africa. There is a very big problem of trafficking in West Africa, particularly children. A lot of them go into a form of indentured slavery, which is a profound tragedy.

Many people watching may not be aware that slavery is alive and well in parts of Africa, particularly in parts of West Africa. Niger has it as well as a number of other countries along the coast. That is why it is extremely important for us, as my colleague and friend mentioned, to work with our international partners to address this scourge.

In the commission of this, does she feel that the workings that we have internationally through the RCMP, Interpol and other agencies are sufficient at this point in time to address this scourge? Where does she see the future going with respect to addressing the profound problems and the human tragedy that encompasses the trafficking in people?

**Ms. Anita Neville:** Madam Speaker, the government has taken many important steps on the international scene to address the whole issue of trafficking. Certainly, agreeing to the protocol in 2002 has been an important first step. There is an international labour convention that has a number of instruments touching on the forced labour and minimum ages for employment.

*Government Orders*

It is important that we remain vigilant as a government, and that we engage in all international forums that provide the opportunity for it. We have a number of both not for profit and government bodies actively engaged in this area. It is incumbent upon us all to

work together to address this matter in a vigilant and aggressive manner.

*[For continuation of proceedings see Part B]*

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CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Monday, September 26, 2005  
(Part B)**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, September 26, 2005

[*Editor's Note: Continuation of proceedings from Part A*]

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## GOVERNMENT ORDERS

### CRIMINAL CODE

The House resumed consideration of the motion that Bill C-49, An Act to amend the Criminal Code (trafficking in persons), be read the second time and referred to a committee.

[*Continuation of proceedings from Part A*]

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## EMERGENCY DEBATE

• (1830)

[*Translation*]

### GASOLINE PRICES

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ)** moved:

That the House do now adjourn.

He said: Madam Speaker, before I begin, I want you to know that I will be sharing my time with the member for Mégantic—L'Érable.

First, I want to thank all my colleagues who unanimously agreed to this emergency debate this evening. The entire House recognized that my motion was a priority.

This is the second such gesture since the Standing Committee on Industry, Natural Resources, Science and Technology met to discuss gasoline last Thursday. The committee was also unanimous about its desire to hear from witnesses, summon oil companies and senior public servants and invite people to appear before the committee.

Today, the House was also unanimous. Why such unanimity? I think that there are two reasons.

First, there are the astronomical increases in the price of gasoline over the past few weeks, months and year. In early 2005, gas cost about 78¢ per litre. Now it costs \$1.08. For years now, we have seen the same thing happen time and again: a significant increase, followed by a small decrease to soothe public opinion, followed by another increase. We are trying to break this cycle.

That is why we want the government to act as soon as possible. This is the second main reason for holding an emergency debate this evening: the government has no action plan.

The only action the government took was when the Bloc Québécois tabled the first phase of its action plan. The Prime Minister said then that we might be able to examine the situation facing the most vulnerable people in order to determine if we can help them. Since then, there has been no news from the government.

The senior public servants who testified before the committee last Thursday told us that the plan was not ready and that they did not know exactly where we were headed. The situation is such that committee members unanimously decided to summon the five ministers responsible for transport, energy, finance, industry and the environment. These are all individuals who are concerned by this issue and who will ultimately have to come before the committee to show their will to act and to present their action plan. So far, we do not know anything about this plan.

The Bloc Québécois wants to contribute. It has already done so by introducing a plan of action. My comments this evening will specifically deal with the various aspects of this plan.

The first point is that consumers must get a break in the short term. As we saw, people were directly hit by this increase. Low income earners who rely on oil for heating purposes will be particularly affected this winter if they are not given the possibility of making up for the loss incurred in terms of their net purchasing power.

We are not talking about subsidizing oil. I think we should pay for energy at its actual cost for our society, and that includes environmental costs. On the other hand, we must ensure that the poor do not have to pay for things for which they are not responsible.

We cannot tolerate the diversion of wealth created by the gas price increase. Profits by oil companies are increasing exponentially. Over the past four years, the profits of the six oil companies in Canada have doubled, from \$5 billion to \$10 billion. Given such profit increases, we must find a way to calm things down. Otherwise there will be a permanent diversion of wealth that will benefit oil companies rather than consumers and people living in remote areas.

Take the case of a resident of Saint-Pamphile, in my riding, who must travel 50 or 60 kilometres to find work and then to get there. If the gasoline price increase eats up all the revenue drawn from a job that pays \$9 or \$10 per hour, this will have a very negative impact on the economy and it will slow things down. People must absolutely be compensated.

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In this connection, the Bloc Québécois has proposed a tax deduction of \$3.75 a day, up to 10% of income. This is already available in the regions far from major centres. It is a measure that would make it possible to help out people in the regions and offset the effects of higher gas prices.

We also want to help the affected economic sectors. This not only concerns consumers but also others whose jobs are affected. I am thinking for example of self-employed truckers, not those employed by a major trucking company whose contracts are lined up six months or a year in advance.

• (1835)

What we want is for a small trucker to be able to benefit from a kind of compensation when he sees his costs rise as soon as he puts gas in his tank, so that he can remain competitive. So we are talking about a tax credit for independent truckers.

We also want to see the tax credit we have in Quebec for taxi drivers and owners made general, so that they can continue to charge a reasonable amount for their services. Here again, it is not a matter of subsidizing gas prices, but of ensuring that the increase in company profits goes back into the pockets of people who need it if they are to keep their businesses running normally.

The same goes for agricultural producers. With the price as it is, there is a forecast of \$250 million in added costs to our farmers. Just think about the mad cow crisis they have had to deal with in recent years. If we add an additional debt of \$250 million to their burden, they will have to give up their farms, will be forced to sell up. This crisis absolutely must be addressed.

Finally, there is a fourth group: independent logging companies. These are people who operate multi-function machines, harvesters, in forests. These machines use substantial amounts of fuel, and their owners have high payments to make. They were taken by surprise by these skyrocketing fuel prices. We believe that they too should be compensated for their additional costs.

These are short term measures for those currently affected in their daily lives. In our opinion, there should be more medium term measures. The government would be well advised to act on our suggestion to establish a petroleum monitoring agency. Basically, every year for three years, this agency would report to the House of Commons on market conditions and make recommendations.

Had such an agency been established two years ago, when the committee recommended it, changes would have already been suggested in order to face the kind of crisis we have gone through recently, and we could have influenced the situation. There is a very important factor: uncertainty of fuel availability must be reduced. The current up and down scenario is hurting the economy as a whole, and the government's inaction is seriously interfering with the ability to react appropriately to the situation.

Also, the Competition Act must be strengthened. We have been asking for five years that it provide more powers, so that investigations that are not quasi-judicial can be conducted. There is no need for written or recorded proof of collusion, but a review of the economic sector is required to determine whether or not the market is functioning properly.

This afternoon, the minister gave an indication that the government might be prepared to amend the Competition Act along those lines. We can assure him of our cooperation: our amendments are ready, and we are prepared to submit them to him, so that he can amend the act as soon as possible to ensure that the Competition Bureau can start its investigations.

So, there are short term measures, structural measures, but also measures to redistribute wealth. We can see that petroleum companies are making very substantial extra profits. There is a way to put a tax on these extra profits. We believe that an extra \$500 million in taxes could be collected from these companies to finance these aid measures.

Given the fact that profits of more than \$10 billion were made over the last year, an amount of \$500 million might be considered reasonable. Indeed, at this time, the increase in profits is exponential and will remain so in 2006. Given the new prices, no one would think this is disproportionate. Instead, it would be a reasonable and realistic way to redistribute wealth where it should be, to ensure that our economy continues to run.

Measures must also be taken to reduce our dependence on oil. The Minister of Environment told us last week that the price was high, that it would remain high and that was good for the future. I repeat that I am not against paying the real price for gas. However, we must ensure that profits as well as the proportion of taxes that we are paying are reasonable, so that we can use them for other purposes.

As for measures to reduce our dependency on gas, we could invest substantially in wind energy and encourage the buying and building of less energy consuming vehicles. We are waiting for the government to take action on this.

To implement these measures, we first need the political will, instead of the government currently giving up. Why is the Prime Minister not intervening with the G8 to say that this issue must be dealt with, that this is important? He must make this position known publicly.

Why does he not call on the oil companies at the national level, as the committee had the courage to do, to tell them how this works and what extra efforts they could make?

• (1840)

And finally, he should implement an action plan, like the one that the Bloc Québécois is suggesting on this issue, so that we can feel there is really a government, that people want to tackle this problem and overcome it. This is what this debate is about tonight.

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I cannot comment on everything, but I would like some clarification with regard to the truckers.

First, the federal excise tax on diesel fuel is 4¢ a litre. It is fixed regardless of the commodity price, so there is no impact with regard to that.

Second, with regard to the GST, for truckers who are not the end users but rather providing a service, they get to claim an input tax credit and fully recover all the GST paid on all their purchases including fuel.

If I heard the member correctly, he is talking about truckers who pay excise tax of 4¢ a litre regardless of the what the price of the diesel fuel is and fully recover the GST. He also wants to give them a tax credit for the taxes related to the overall taxes they may have paid on the purchase, not taking into account the revenue offsets of the recoveries.

Would the member care to clarify how truckers are impacted in terms of their pocketbooks, seeing that they are passing this service through to others? Knowing the volatility of fuel prices, they would structure contracts in a way in which they would have probably full recovery or very close to it.

[Translation]

**Mr. Paul Crête:** Madam Speaker, I want to tell the member that the problem we identified is not that taxes are too high. No one ever likes to pay taxes. Our current problem is not taxes.

Since January 2005, the price has risen from \$0.78 to over \$1.08 per litre. So, overall, when it comes to gasoline, there has been a major increase that has nothing to do with increased taxes. These truckers, who travel about 320,000 kilometres each year with engines that drink over 50 litres per 100 kilometres, are currently experiencing a very significant increase in actual costs. For every 20-cent increase in the price of oil, it costs an additional \$30,000 to operate each truck. In the short term, something has to be done for these people who have no protection, unlike the major trucking companies. People working for Freightliner or other kinds of companies often have protected contracts. Oil will stay at the same price for 6, 12 or 18 months, but independent truckers do not benefit from such protection.

When the price went up on September 4, or on the morning of September 5, if they needed gas, they had no choice but to pay the new price. Here is an example. Back home, someone told me: "I earn about \$800 a week, but now, because of the gasoline price increases, I am driving for nothing, I no longer have an income". That person can do it for a week or two, but he will not be able to last longer. We must absolutely find a way so that the diversion of wealth that has occurred with the huge surpluses generated by oil companies can go back into the pockets of the people who continue to make the economy run.

The situation is somewhat similar to that of the thirties, during the Great Depression. At the time, there was no social assistance, no unemployment insurance. Some companies were making profits nevertheless, but we were not able to put the money back into the pockets of consumers, so that they would continue to function. They were losing their purchasing power. The same thing is happening to small businesses because of the oil prices. They are losing their purchasing power. This means that will leave the market if we do not find ways to compensate them.

We are talking about a 30% increase. Let us try to see the impact of that 30% increase in the various economic sectors, as the value of our dollar goes up. Considering that 85% of our exports go to the

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United States, the additional cost of gasoline will often make the difference between life and death for a small business. This is why we are asking for this credit for independent truckers.

• (1845)

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Madam Speaker, first I want to congratulate my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for his excellent work on the Standing Committee on Industry, Natural Resources, Science and Technology, particularly in this regard. This member is extremely dedicated, and this file is very well managed.

I am very pleased to speak on this motion, during this emergency debate, all the more so because I am speaking as a member of the Standing Committee on Industry, Natural Resources, Science and Technology.

This is a priority. As was mentioned earlier, the Bloc Québécois believes this is an important and serious issue. It is wide-reaching. For example, national, regional and local economies are threatened by excessive gasoline prices. This can cause, and is causing, damage.

However, the government is using the same unremitting logic it applies to other matters, which is to do nothing. It is always the same, be it the fiscal imbalance or textiles. This government is dragging its feet in taking the necessary steps to resolve this crisis.

I spoke earlier. I asked the Minister of Industry a question. I want to demonstrate somewhat the mentality of this government and the Minister of Transport. I asked him a question. I had condemned him for his inaction and I was asking him what he intended to do with regard to gasoline. He answered that we were dinosaurs with no understanding of the economy.

It was the same thing this summer. On *Maisonneuve à l'écoute*, we asked the Minister of Transport what it would take for the government to intervene and help businesses and the regions. He gave the same kind of answer. I am quoting loosely here, "There is nothing we can do. There is nothing the government can do. Globalization is to blame. Iraq and the war are to blame". He added that the "government will not start handing out coupons so that people can buy gas". This shows the mentality of this government and how it wants to operate.

The purpose of the motion is very clear. Last Thursday, in committee, we heard from a number of different groups. The major oil companies were there, and so were representatives of the Competition Bureau, the Finance Department, and consumer protection groups, to name but a few. There was one point on which they all agreed: the exorbitant and excessive profits being made by the oil companies. That was the topic of discussion. The oil companies themselves acknowledged it and did not try to conceal it. They unabashedly reported profits of \$7 billion to \$8 billion.

They also told us that hikes of 6¢ to 40¢ were understandable. It seemed that we were in some alternative reality, one unfortunately being maintained by an arrogant government that is refusing to take action. The Prime Minister is also refusing to intervene, claiming there is no solution and nothing can be done. From time to time, today for instance, there have been little openings, but nothing concrete has been done. We have not made any progress.

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However, as far as this situation is concerned, we were quickly brought back to reality by the consumer protection associations, the agricultural sector, the trucking sector and the small and medium businesses. The current impact of gasoline prices on the regional economy, be it Chaudière-Appalaches, the Eastern Townships, Centre-du-Québec, the Saguenay or anywhere else, is devastating for families, for industry, for agriculture and for the economy in general.

My colleague has just spoken of the tendency to neglect the impact of gas prices on the agricultural sector. There is frequent mention of shipping. In the agricultural sector, over \$2 billion worth of gasoline and energy is consumed annually. My colleague has just pointed out that we will be obliged to add close to \$300 million if we want to manage successfully. There are many bankruptcies on the horizon in my riding: maple syrup operations, metallurgy, tourism, or any other industry.

No steps have been taken. There has been no intervention. In regions like mine—and I will allow myself to speak of it once again—small and medium businesses abound. Some sectors have been very hard hit with considerable job losses. Once again, government inaction.

● (1850)

It is important to mention this a number of times. The lack of control over this spike in the price of gas is totally devastating regional and local economies. Clearly, the government is not a regional government and everyone knows it. In the regions the textile, softwood lumber and in agriculture industries are being devastated. Now add gas to that.

We keep hearing there are no solutions. My colleague listed a few earlier. There are solutions; some are for the short term and others for the long term.

One of the first solutions is to discipline the industry. That is what the government is there for. We have a democratic government elected by the people. It must defend the interests of the people, the regions and the families. It is not industry that is supposed to run the country, but the government. The industry needs to be disciplined.

We talked about creating two agencies including a monitoring agency. Furthermore, the Competition Bureau should be given more power. Last Thursday, during testimonies, it was interesting to see that the majority, except for the government or its representatives, agreed with having this monitoring agency, which would have probably helped resolve this crisis.

This agency could assign witnesses. That is important. It could ensure protection and confidentiality, examine every aspect of the oil industry and offer solutions. We even got commitments from several representatives from agencies that came to testify, who agreed with this.

The first important point is that we must not be afraid of the industries. We must not be afraid to stand up and discipline this industry.

The second solution the Bloc proposed was to give consumers a break. Consumers need to be defended. There are associations and members of the Bloc Québécois who defend them. However, the

government also has to take its responsibilities and give consumers a break. Earlier, my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup talked about tax credits. It is important.

There needs to be help for converting to alternative energies for heat, and subsidies are needed for public transit. These are two very important measures that the government could take immediately without much difficulty.

There is a third measure that consists in helping people in remote areas. It is a problem in these large areas. When you have to travel, the distances are quite great. Again, a credit for people from remote areas could be effective.

It would also be important to help the economic sectors that are affected. I talked about this earlier. There is the agricultural sector. This is really disastrous for this sector. Those who are responsible for that sector are saying that the situation is terrible. The same goes for the taxi industry. We are killing the independent truckers. We are choking them. These job creators, our small and medium businesses at home, they are our industries, they are working families. They are really pushed to the limit. The same goes also for forest industries in our rural or semi-rural ridings. These industries that create jobs are important. They have budgets. We will drive these businesses into bankruptcy.

It is the same for the textile industry. A comment was made about that this morning. We saw how the government is totally inactive on this issue and does not take any decision.

There is also another thing that my colleague talked about, which is the redistribution of resources. For example, we can talk about the \$500 million in taxes of oil companies. We must also take action on this. Finally, there is the dependency on oil. We must invest and get help from the government.

All this contributes to the fact that we must absolutely have an emergency debate to suggest measures so that this government realizes that our local and regional economies are in jeopardy. We must act as quickly as possible to save jobs and to save our regions.

● (1855)

[English]

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, I thank the member for his comments. I am glad he mentioned that some of the solutions are public transit and alternative fuels. I hope that some of the members who speak later tonight will outline the amounts, but as the member must know, the government has already put hundreds and hundreds of millions of dollars into public transit for that very reason.

We have also put all sorts of research money and support into various types of alternate fuels, such as ethanol, and the recent budget had a huge increase for wind energy, with the alternative renewable energy. Natural Resources Canada has been doing excellent work in that area and is continuing to expand year after year, as was contained in the green plan.

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The member suggested the oversight committee would have stopped this disaster, but this is a worldwide increase, partly because of speculation, partly because of the loss of a huge amount of refining capacity in Texas. The gulf coast area produces an amount virtually equal to Canada's total refining ability. If world prices change like that, exactly how would an oversight body in Canada work? I am not saying it is not a good idea, but if that oversight body just publishes the information and makes it transparent, how would that actually stop a world crisis like this?

I have another question. How would these industries the member is talking about be at a competitive disadvantage when all of their competitors have increased prices, whether that is in Canada, the United States or anywhere else in the world? They all have the increased price, so how would there be a competitive disadvantage for these industries?

[Translation]

**Mr. Marc Boulianne:** Mr. Speaker, the monitoring agency would play a very significant role in that respect.

At present, the government is providing information, but we can see that the information on the market, competition, price hikes and oil refining profits overlooks certain aspects and is incomplete. For instance, this may be information received from groups not altogether objective, contracted by large oil companies.

So, we are suggesting that a monitoring committee review the figures to determine what happened, whether profits were generated and why. This committee would carry out a comprehensive analysis of everything concerning oil energy.

I do not agree with the hon. member who cannot see how this can influence the crisis. We are convinced that, on the basis of this research, the testimonies, the figures and everything having to do with global competition—Canada could make this information available to the public—solutions could be developed using this information.

• (1900)

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, first, I wish to congratulate my colleague from Mégantic—L'Érable on the quality of his remarks, and the same goes for the Bloc member who spoke before him.

I would like him to tell me something about the work of the committee. While I realize that what was said in committee cannot be disclosed, I would appreciate at least knowing what direction was given to the committee's work, given especially how the oil companies have justified their oil refining profits. Are there any sensible answers available to allow us, for one thing, to look at the possibility of acting in that respect?

I have a second question. Does anyone understand why there was such reluctance on the part of the Canadian government to call the Standing Committee on Industry, Natural Resources, Science and Technology? The Bloc, and our colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup in particular, had to put up quite a fight.

**Mr. Marc Boulianne:** Mr. Speaker, as for the debates in the Standing Committee on Industry, Natural Resources, Science and Technology, it was a given that the profits, initially, were excessive.

We posed this question to representatives of the Competition Bureau, and they made the distinction between excessive profits and illegal profits.

Here are a few figures. In 2004, for example, after-tax profits of the five major oil companies in Quebec and Ontario, Petro-Canada, Shell, Husky, Suncor and Esso, were \$7.2 billion and were expected to hit \$9 billion in 2005. This is an important reason. Also, since 2002, net profits have risen by over 100%. The attached tables illustrate this.

What is also remarkable is that while profits are increasing, there is a parallel increase in refinery margins, as the table illustrates. Refining generates a more than excessive profit. This is where we had thought to intervene. The government could intervene with regard to these margins.

Why does the government not intervene? We saw why on numerous occasions: it is working for the oil companies.

[English]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I will be sharing my time with my hon. colleague, the newly minted Minister of Natural Resources.

On behalf of the government, I am very pleased to respond to the motion before the House. There are few occasions when one gets an opportunity to debate an issue with such direct and obvious consequences for Canadians. The price of energy, the price of oil, home heating oil and gasoline is something that all of us deal with in our daily lives. It is something we have seen and felt in terms of prices at the pump in our communities.

We see it through the whole chain of energy prices. The price of electricity is affected by the price of oil and natural gas and coal. All of these are energy products. There is a complete chain of prices affected by some of the gyrations we have seen in recent months to world energy prices and it has effects throughout our economy. It has effects clearly in our ridings where people driving to work face substantial increases in the cost of commuting to work, in the expense of earning a living. We see it as well in commercial areas. In my province of British Columbia the price of oil and fuel was a fundamental cause behind the dispute at the port of Vancouver this summer. That dispute had major implications not just for British Columbians but for all Canadians as we saw shipments and containers held up at the port.

We can all see there are specific ways in which the price of gas and oil does affect Canadians and the economy in a number of ways. It is important to bear in mind the underlying causes of the current price situation we are facing, whether we are talking about the price of gas, diesel, heating oil, propane, natural gas or any of the other energy products that are part of the energy chain. We all recognize that there is no silver bullet. There is no magic solution that is going to quickly realign international supply and demand and bring prices back down very quickly.

Let me touch on some of the fundamentals of the supply and demand for gas and oil. Clearly, oil is a globally traded commodity. There has been strong demand around the world but it is combined more than ever before with uncertainties about the supply of oil, the reserves and various other shorter term disruptions to supply.

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If we go back to January 2002, the world price of crude oil was about \$20 U.S. per barrel. Today it is more than \$60 per barrel. On a Canadian average basis the retail price of gasoline was 73.2¢ per litre in 2003. Over the first eight months of 2005, it averaged 89.4¢ per litre and of course today it is over \$1 a litre.

We hear a lot about the tax issue as one of the drivers of the price of gas and oil, but the reality is that of the 16.2¢ per litre increase between 2003 and the first part of this year, 14.9¢ per litre was crude oil costs. That means that less than a penny, or .8¢ per litre was accounted for by federal taxes. Just half a cent was made up of provincial taxes on average.

If we look at the rise in gasoline prices and we recognize that it has been driven by international market conditions, we should look at those market conditions. Clearly the impact of recent hurricanes on the American oil and gas sector in the Gulf of Mexico was a major factor, but it was a temporary factor.

● (1905)

There are other longer term factors. In fact, the Prime Minister pointed out one of them recently. When he spoke to senior public servants on September 20, he mentioned the major forces shaping the future for Canada and this government's agenda. One of those was the rise of nations such as China and India as global economic powers. He stated:

Consider that in 2004, as measured by purchasing power parity, the United States accounted for about 20% of the global economy with less than 5% of the world's population. Together, China and India also accounted for almost 20% of the world's economy, but with 40% of its population — so it's clear where the growth potential lies.

It is not just potential. It is happening now as we speak.

It takes a lot of energy to run the factories of China and to get products to markets overseas. It takes a lot of energy to power the growth of emerging consumer societies with a rapidly expanding middle class and populations that strive to achieve the kind of standards that we have in North America. They see energy use as a critical part of achieving those increased living standards.

Since 2001 China and India's demand for oil has grown by more than 2.3 million barrels and that is per day. This accounts for nearly 36% of world oil demand growth during this period. In 2001 China and India accounted for 9% of world oil demand. Today they account for 11% of that demand. It is a trend that will likely continue. That is on top of the growing demand for energy from the traditional high demand industrial economies like Canada, the United States and Europe.

These are some of the fundamental drivers of the rising demand for oil. It drives the demand for natural gas and the products that are made from gas as well, but supply issues are also important. World crude oil production capacity is still exceeding demand, but the gap between supply and demand has been closing in recent years.

The OPEC countries used to have spare crude oil production capacity of between four million and six million barrels per day. They could bring this spare capacity into production in less than 30 days and take the edge off price spikes as a result. Estimates today are that spare capacity is now down to less than two million barrels per day.

Not only is demand rising and supply not keeping pace, but there are other factors. There are a lot of steps in the supply chain between crude oil coming out of the ground and gasoline going into our cars' gas tanks or heating oil going into the tanks in our basements.

Consider the capacity for petroleum refining as an example. Today the refinery capacity all around the world is operating virtually full out. Here in North America both American and Canadian refiners are operating at 97% utilization rates, which for all intents and purposes is operating full out at full capacity. As the demand for petroleum products continues to grow, the refining system's inability to keep pace is going to lead to continued upward pressure on prices.

Why not build more refineries? An important part of the answer has been that these are big and extremely expensive investments. Until quite recently the profit margins in refining were simply not good enough to attract more investment into the refining business. The bottom line is that the refining business is going to have to become more profitable to attract the kind of investment that will be required to increase refining capacity and deal with that weak link in the supply chain.

Many hon. members may ask what the world market has to do with Canada. Are we not self-sufficient in oil and gas? The reality is that we may be, but we represent only 3% of the world's crude supply and that really means we are a price taker. We cannot affect the world price.

Hon. members will have suggestions tonight as to what we should do about this situation. I want to talk a bit about price monitoring. I am very comfortable working with my colleague, the Minister of Natural Resources, to develop a more transparent, authoritative mechanism for analyzing and keeping track of energy, oil and gas prices in Canada. I am very happy to hear members' suggestions and comments about that. I think it is something that we should consider. Our citizens and consumers and businesses have the need for good information and if we need to create a new mechanism to do that, let us do it.

● (1910)

With respect to competition, I have said many times that there have been at least five investigations in the last 15 years into the competitive conduct in the gas and oil business. No anti-competitive behaviour has been found.

Clearly, I believe that Bill C-19 which is before the House would help us with administrative monetary penalties. I am open to suggestions from hon. members as to further amendments that we could make to the Competition Act, such as giving the Competition Bureau the power to initiate its own investigations without reacting to a complaint. I am open to other suggestions as to what we might do with the Competition Act that could be helpful in dealing with this situation on behalf of Canadians.

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, I would like to pose two questions to the Minister of Industry.

*S. O. 52*

First, there have been some members of this House who seem to imply there is some collusion going on in component parts of the gasoline prices in this country. I would like him to answer very directly, does his department or any other federal department or agency have any evidence whatsoever of any collusion at any level, whether it is at the rack level, whether it is at the crude level or whether it is at the retail level?

Second, I would like to ask the minister why he has not proposed or his government is not willing to accept some reduction in taxes so that we can give immediate relief to consumers. The most variable aspect of the price of gasoline that we can actually affect as parliamentarians is the taxes on gasoline. It is about 42% component cost right now. Why will the government not reduce the taxes on gasoline?

•(1915)

**Hon. David Emerson:** Mr. Speaker, on the matter of anti-competitive conduct, it is not really a matter of whether people in my department believe there is evidence of anti-competitive conduct. I do not think we have any evidence of that. The issue is really whether the Competition Bureau, which is a legal body charged with undertaking those investigations to a high standard of professionalism, has found any evidence of anti-competitive conduct, and the answer is no.

We can all rail about price gouging and some kind of rhetorically satisfying allegations about pricing behaviour, but the bottom line is that after repeated investigations, there has been no evidence of anti-competitive conduct at the retail or wholesale ends of the market.

On the matter of taxation, I believe that this government is committed, and we will be moving forward in the weeks and months ahead, to deal with the issue of the competitiveness of the Canadian economy. The price of energy is a factor that has to be considered. There are many other factors. The exchange rate is another factor.

We have to worry about Canadians who are disadvantaged and hurt by some of the transitional spikes in energy prices or other impacts that negatively affect Canadians who may not be able to handle those burdens. We should deal with that, but I am not prepared to stand today and say that a micro movement in a gasoline tax would solve the real problem that Canadians have. It would take a more fundamental approach than that.

[*Translation*]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I see that the minister is open to the fact that Bill C-19 amending the Competition Act is insufficient and that he is prepared to broaden the mandate with regard to investigations. That is a request the Bloc has been making for many years. The same is true for the need for reliable information. We currently do not have impartial information. Some people do very good work in the private sector, but it does not have the same sense of fairness that a governmental source of information would.

I agree with him on the matter of taxes, except for the tax to fight the deficit, which should disappear since it no longer bears any relevance to reality. For the rest, that is not really the problem.

I would like to hear what the hon. member has to say about profit margins in refining. This seems like a major topic for investigation.

We now realize that over the past year, and the past few months, the price of crude has not necessarily increased. It is truly the refiner's margin that has increased significantly.

Are there no measures we could come up with to increase this refining capacity in such a way for there truly to be greater competition and no more jolts in the price like we have been experiencing lately? Is there any way to get a more in-depth investigation from the competition commissioner, more information and a true action plan from the government? So far, no concrete action plan has been proposed. We learn about things fact by fact, like in tonight's debate.

I think it is high time for the Prime Minister to come forward with a specific action plan that clearly shows that the government has decided to act and deal with this problem head on. I would like to know what the minister has to say about this issue of profit margins in refining.

[*English*]

**Hon. David Emerson:** Mr. Speaker, I appreciate the member's interest in the refinery part of the supply chain. As I said in my remarks, the refining segment of the supply chain has been under extreme pressure over the years because we do not have enough supply capacity in the refining segment to support significant increases that are needed in a short price-spike situation such as we have today. We do not have enough refining capacity.

He asks why we do not have enough, that there must be a conspiracy out there because all of a sudden the refiners are making a lot of money. They are making a lot of money now because they have not made enough money in the past to invest new capital into refining capacity that would correct the problem and not put us in the situation where the extraordinary profits may be realized right now.

In order to invest hundreds of billions into refining capacity, investors will demand a long term, sustainable, reasonable rate of return for putting money in that business. It is very capital intensive. It is regulatory and burdensome. There are not many communities that are keen to have refineries next door. If we start to undermine profitability in the refinery business, we simply will end up with a worse shortage as we go forward.

However, if there is evidence that there is collusion or anti-competitive behaviour in the refining sector, I am with the member 100%. Let us go after it, let us attack it and let us deal with it.

•(1920)

[*Translation*]

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, I am pleased to have this opportunity today to discuss Canadian oil markets and the recent changes in the international situation which have resulted in major increases in the price of petroleum products in Canada.

*S. O. 52*

[*English*]

The Government of Canada understands the difficulties Canadians are currently facing due to rising energy prices. Energy matters more to Canada than to any other advanced economy in the world. The products produced by these sectors generate \$60 billion in exports and are an important source of our international trade balance. More than 230,000 Canadians work in the energy sector in well paid, highly skilled jobs often in remote regions of the country. As such, energy plays a crucial role in supporting a high living standard for Canadians.

Partly of course this is a matter of our geography and climate, but the cost of the energy supplies that Canadians purchase has an important impact on their economic well-being. Consequently, increases in energy prices naturally attract a good deal of attention.

[*Translation*]

Since January 2002, world prices for crude oil have more than tripled, from \$20 US to over \$60 US a barrel, which corresponds to over 30 cents a litre in Canada.

[*English*]

In recent weeks all Canadians have been conscious of increases in the price of gasoline. Much of this increase has been weather related. It has been due to the damage caused by Katrina and concerns that Rita could cause even more damage in the refining sector. This has caused a rather anomalous situation where gasoline prices have increased much more rapidly than crude oil prices. However, if we take a step back and look at longer term trends, it is clear that gasoline prices have moved almost lock step with crude oil prices.

As an example, the average price of gasoline country-wide was 73.2¢ in 2003. So far in 2005 it has averaged 84.9¢ a litre, an increase of just over 16¢. In other words, the increase in gasoline prices over the longer term is fundamentally due to an increase in the price of crude oil.

There are a number of reasons behind this large increase in crude oil prices.

[*Translation*]

The situation was exacerbated by the unprecedented demand for oil products in less developed countries, China and India in particular. Since 2001, the demand in these countries has increased by over 2.3 million barrels a day. This represents close to 36% of the world increase in demand over that same period. China and India now account for 11% of the world demand.

[*English*]

At the same time as OPEC's spare capacity was falling, there were growing concerns in the market about political instability in a number of important oil producers. That led to an increase in the risk premium on crude oil. In other words, people were willing to pay higher prices to ensure supply in the future and that risk premium may have been exacerbated by an increase in activity by non-commercial traders or speculators. They represented 3.5% of the crude oil futures market in 2003, but over 20% by the summer of 2004. A number of international factors over which Canada has no control have combined forces to produce this very high world price of oil.

I am sure it is of interest to members of the House and to Canadians what the federal government can do in the face of these large price increases. First, as my colleague, the Minister of Industry, has said, we are working very actively on a monitoring process to improve transparency.

In terms of the immediate challenges following Katrina's impact on oil prices, the Government of Canada also has been working closely with its international partners to ensure that Canada and other countries have access to adequate supplies of oil at prices that are as reasonable as possible.

The government also is actively looking at measures it can take domestically to protect Canadians who are particularly vulnerable to increasing oil prices. Here I note that the Minister of Finance and the Prime Minister have said that the government is looking at ways to assist Canadians and I am sure that an announcement about these deliberations will be forthcoming in the not too distant future.

In addition, the federal government can help Canadians become more efficient in the ways that they use energy and to develop fuels that can substitute and compete with petroleum. This is an area that is of great importance to my own department. Essentially this is a matter of supply and demand, concepts with which I have some familiarity given my background. This is important in the medium term where we will work to increase the supply of non-oil sources of energy, while at the same time reduce the demand for oil through measures to improve energy efficiency. It is in those two areas, by both reducing demand and increasing supply, that we will move to reduce the dependence of Canada on oil. This will not bring relief tomorrow, but over the medium term these are measures which will produce significant benefits for Canadians, including an improvement in the quality of our environment.

We have begun this process and we are making progress. In transportation, we have many programs in place aimed at raising awareness among drivers about how they can make smart choices.

In my own riding of Markham, the town council, led by Mayor Don Cousens, recently passed a bylaw limiting idling time to three minutes. We may think this is not a big deal or huge thing, but if every municipality in the greater Toronto area and across the country were to adopt measures such as this, one would save a lot of gas and one also would improve the environment.

We are also working to diversify our sources of fuel. We have announced \$118 million from the ethanol expansion program for the construction of new ethanol plants and this will greatly increase the availability of this renewable fuel. In addition to measures regarding wind energy announced by the Prime Minister last weekend in Prince Edward Island and measures regarding clean coal, all these I believe are vital in the medium term.

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We also are supporting Canadians in their effort to make their homes more energy efficient. We have information available to give advice on how to do this. We also have a retrofit incentive that will help Canadians cover the cost of making energy efficiency upgrades. Through our program EnerGuide, evaluators go to people's homes, do a thorough assessment of energy use and make recommendations for improvements. A grant is then based on the measurable improvements that the homeowner makes. This program has been highly successful, which is why it was quadrupled in budget 2005.

● (1925)

We are also working with industry to make their own operations more energy efficient through the Canadian industry program for energy conservation. Since 1990, CIPEC companies associated with this program have collectively reduced greenhouse gas emissions by more than 25 megatonnes from what they otherwise would have been. They have saved billions of dollars in energy costs as a result.

The government itself is also doing its bit through our federal house in order program. We have set a target to reduce emissions from our own operations by about one-third and we are well on our way to achieving that target.

In conclusion, the government recognizes the challenges faced by many Canadians as a result of the increases in energy prices. The government has been active on many fronts to help ease supply disruptions, support energy efficiency, and facilitate the development of alternative fuels. We will continue to work on a plan to deal with the rising cost of energy.

● (1930)

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, I listened to the two ministers speak and I was also a part of the committee that went all day last Thursday on fuel prices. The Liberal line that we are getting today is so very different from the Liberal line we got on Thursday.

For example, the Minister of Industry spent considerable time defending the refineries and the refinery margin in a way that makes some common sense. We do need more refinery capacity. Billion dollar investments take a long time to build and we need investor confidence to achieve that, but what we witnessed on Thursday was Liberals attacking the refining sector, accusing it of gouging, and doing everything it could to remove any onus or responsibility from the government to address the issue of fuel pricing through the one thing it can control, which is the taxation regime.

The Liberals were taking every opportunity to slag the industry, particularly the refining sector, to accuse the industry of price gouging, and to start panic in the consumers by bringing a high profile to a few stations across the country that had decided to push the envelope on pricing. They brought a magnifying glass to that which helped create a consumer panic which I witnessed when I left committee at 10 p.m. There were lineups in Ottawa of people trying to buy 99¢ or \$1.09 a litre gasoline.

What is it that leads the Liberal members to have so many different messages which are actually doing a great disservice to the Canadian general cause?

**Hon. John McCallum:** Mr. Speaker, I am only recently into this position so naturally I was not at that industry committee meeting,

but I gather I might be receiving an invitation to appear. I can tell members that I will be very happy to do so and to offer my views on this subject.

When it comes to refineries, the industry minister just made comments about the need for sustainable return. In my remarks I mentioned that in the longer term, even though there were distortions because of the hurricanes, the world price of oil tends to move in lockstep with the price of gas.

I am not making accusations in my comments but, as both the Minister of Industry and I did say in our remarks, we do believe that there is a need for better monitoring of those prices, so Canadians can be assured of these facts and a need for greater transparency in terms of information regarding prices. This is something that we are working on at this time.

Regarding the rush to buy gas, perhaps the hon. member exaggerates a little the importance of his industry committee. My impression was that the panic had more to do with hurricane Rita and fears of what that might do to the oil refining capacity in the southern United States, which would be a large fraction of total oil produced in the U.S., than it did with anything that happened at the industry committee.

● (1935)

[Translation]

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, minister after minister tell us about the multiple causes of these gas price hikes. It is certain that we do have an opportunity to intervene into some of its causes, but not others, admittedly. It seems to me, however, that at no time should the presence of those causes rationalize the government's inaction.

The minister presents us with some solutions, such as investing in the fuel economy and mass transit, or creating a monitoring office. These are certainly worthwhile solutions and are what we in the Bloc Québécois are calling for.

Action is, moreover, urgent and necessary. I wonder to what extent the government is going to not just justify its inaction but rather provide us with an action plan indicating the specific points at which there will be intervention, thereby avoiding public panic.

**Hon. John McCallum:** Mr. Speaker, I am pleased that the hon. member at least recognized that to a very significant degree, the world price of oil is beyond the Government of Canada's control. We are a country of more than 30 million inhabitants in a world of billions and we have no influence over the storms in the United States, the political situation in the Middle East, or the growing demand in China and India. These are truly significant factors that explain why the price of oil has increased quite significantly on a global scale.

S. O. 52

That being said, it is inaccurate to say that the government has done nothing. I have mentioned the fact that the Minister of Finance has said he would help low-income Canadians heat their homes in the winter. We have talked about a monitoring system. In the medium term, my department has set up programs for increasing supply and reducing demand. We are committed to discussing a large number of possibilities in order to improve the situation. There is not any inaction whatsoever.

In the meantime, as the hon. member said herself, we must realize that the world price of oil is not under Canada's control.

[English]

**Mr. Randy White (Abbotsford, CPC):** Mr. Speaker, I will be splitting my time with our industry critic from Edmonton—Leduc, and if I should finish earlier, I would hope that you would give him my additional time as well.

One of the problems is that people are listening to what is being discussed but in some cases they do not understand. I am going to point out some of the things that they will likely not understand.

I first want to give people in Canada an idea of what gas prices are like. Gas prices yesterday in Williams Lake were \$1.09 per litre; in Edmonton, they were 92.9¢; in Bedford, Nova Scotia, they were \$1.11. In fact, the difference between one city to another in one case was 19¢ a litre. We can trace some of this difference right back to speculation, which I want to talk a little about.

In Marystown, Newfoundland for instance, on September 1 at 5:52 p.m. the price per litre was \$1.25. At 5:55 a.m. the price was \$1.16. That is 0.09¢ in that rapid amount of time. When someone comes up to that pump, they do not understand this price fluctuation and, quite frankly, some of the reasoning given by our Liberal members over there does not make sense at all to many people. In my own town, for instance, we watched how on September 5 at 3:54 p.m. in the afternoon it was 90¢ a litre and at 3:56 p.m. at one pump it was \$1.00 a litre. It goes like that.

We can stand here and give all the excuses we want but tell the person who is earning that kind of money, trying to earn a living out there and watching the price go like that at the pump.

Forty per cent of the cost of a litre pays federal, provincial and municipal taxes, including the GST. Thirty-eight per cent of the cost pays for the crude oil, 17% is the refiner's margin and 5% is the retail margin. So clearly, 40% of the cost of a litre is taxes. That is pretty well known. It is on every sticker at every gas station.

In fact, I went to a gas station in my community and I talked to the owner. I asked him how much money he was making. He said it was the same, he got the same amount. In fact, he gave me one of his invoices from the oil company and the price before taxes per litre was 0.67266¢. That is 67¢ a litre. Then it shows provincial fuel tax, 14.5¢; federal excise tax, 10¢; and goods and services, 6.4¢. It raised the price of that fuel per litre from 67.2¢ to 91.7¢. Then of course the owner adds on his margin and it goes to 98¢, and that is what we see at the pumps.

The minister said there is no magic bullet for this, and perhaps to some extent he is right. He talked about supply and demand in economic terms, and I suppose to that extent he is right. But then he

said hurricane Rita was at fault. Now, it happens that the dates that I read out were not necessarily dates that hurricane Rita caused the problem. It was panic marketing that caused the problem and whoever is out there, whether it is industry, or media, or politicians, or whoever it is at the pumps, this is really not purely supply and demand. This is called panic marketing, and the people who gain from this, quite frankly gain 40%, are in the House of Commons.

● (1940)

I listened today to some answers in question period. Basically they said, "Well, gee, we are not making that much. After all, the money is going to a good use". I think hospital equipment was named; it was also said that it is going back to the municipalities for infrastructure. Yes, the municipalities are getting some income for infrastructure. However, the government is recovering a great deal of that just by price fluctuations and increases and a percentage on the increase of the take.

The problem here is that government, on that rare occasion of being in a position of trying to keep the price of goods and services low, is highly motivated, like industry is, to make the best profit. That is not the role of government in pure economic theory. We can read any book there is. I am a cost accountant by profession and I have read many. In pure economic theory the role of government is not to have a bottom line profit margin, but that is what is happening here. It is difficult indeed to convince anybody in this country that this government is not benefiting from a price fluctuation, and in fact an increase in price, because the government is.

What do we do? We have called for some reduction in taxes, but the motivation to do so is not there on the other side. How are we going to get a grasp on a government that has an insatiable appetite for revenue so that it can spend that revenue for whatever purposes it has?

It does not matter which government it is. I am not finding fault just with this government; it just happens to be the Liberal government in power. For any government to be in a position to profit from industry profit is wrong. I think that is an economic theory which we have to deal with in this House.

I asked for this debate some weeks ago because of the growing concern across the country, with the support of my colleagues. I asked for some things to be covered here tonight. I would like to hear from members opposite the answers to the following questions.

Who is really profiting from the increases and by how much? Because, quite frankly, we are dealing with a sad case of denial here.

What forecasts and consumer protection are related to the increases? Can we forecast what is going to happen? Is there anybody brave enough to stand up and say that we will not have these price fluctuations up to \$1.30, \$1.40 and \$1.50 or, if they do, the following will take place and we will kick in the following formula?

What is the proper role of and action for the House of Commons? I think that when the government members speak they have to identify that. People across this country are looking to the government for some direction. It cannot just be saying "it's not our fault" or "they're getting money for infrastructure". It has to be something more concrete to the consumer.

S. O. 52

What are the ramifications of cutting the federal tax on fuels? The government must tell Canadians about it. People want to know.

Last, what is the impact on various businesses and industries?

I think we have to get out of this rut we are in, where we are asking the consumer to pay more and more at the pumps. We have to get into a situation in this country where government is not motivated for high pricing structures in any industry, but more importantly in gas.

• (1945)

[Translation]

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, I would like to ask the hon. member who just spoke a question.

In my riding, farmers have been affected by the mad cow crisis and are now being affected by the oil crisis. Seasonal workers and various workers in rural areas who have to travel to large urban centres are also affected by the oil crisis. Forestry companies in my riding are also affected by this crisis.

We have before us a government that seems not to have any action plan to help all these people affected by the oil crisis. The Bloc Québécois has proposed a plan, but the government tells us that it cannot do anything about this oil crisis and the increase in the price of gas.

I want to ask the Conservative member what he thinks of this government before us with no action plan to face the current crisis that is plaguing our society.

[English]

**Mr. Randy White:** Mr. Speaker, it does not surprise me that there is no action plan. There was no action plan on softwood lumber. There is no national drug strategy, which I deal with. There are no plans. This is management by crisis.

We are now in a crisis. I dare say that a lot of us in this House have farmers in our areas. I come from a very intensive farming area. I come from an area in which people must commute from Abbotsford in the Fraser Valley to parts west. They are asking the very same thing that my colleague is asking: what is the plan? That is what is in several of the questions I have been asking: what is the plan? The plan cannot be motivated to have gas price increases because "I get more money". That is not an economic theory that matches with any form of government. I disagree.

My colleague is right: there is no plan. That is what is concerning the nation. That is why we are here tonight debating.

• (1950)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I was interested by a question from one of the member's colleagues, a Conservative member, who said, if I remember correctly, that taxes comprise 42% of the price of gasoline. I believe that is incorrect. I just did a little work on it. Maybe the member could comment. If we have a \$1 commodity price and add the 10¢ federal excise and the roughly 15¢ provincial excise, that gives us \$1.25. If we add the GST, which is another 8.75, we get \$1.33 at the pumps.

**An hon. member:** And the royalty tax—

**Mr. Paul Szabo:** Hang on. The 10¢ excise plus the 8.75% GST is 18.75. Let us even say it is 20¢. It is still only about 15%—

**An hon. member:** You're forgetting a bunch of taxes.

**Mr. Paul Szabo:** —and that is provincial. It is. The provincial excise is also fixed per litre. We can play with the mathematics, but maybe—

**An hon. member:** This is your own department.

**Mr. Paul Szabo:** No, they are playing with numbers.

Here is what I think the issue really is. Maybe the member would like to comment. We know that we cannot say to Alberta that it really has to take a hit, that it cannot follow world prices.

**An hon. member:** You did it before.

**Mr. Paul Szabo:** Obviously that is not going to fly. Alberta is in business as well. I would just ask the member if he would simply state what he believes to be the position of Alberta in terms of being an oil producer in the scheme of the establishment of the world price of oil, and whether or not there is any possibility that it would charge on a per barrel basis based on its costs rather than on the world commodity price.

**Mr. Randy White:** This is interesting, Mr. Speaker, is it not? This is not Alberta's problem. This is government's problem. Let us not get tied up in here with a member standing up and saying it is *x* per cent or this or that per cent.

I would be willing and more than happy to table in the House an actual gas station invoice, which I have here. In fact, the actual percentage that government gets is around 39%, so let us not argue with the numbers. If the member wants the bills, he can have them, but that is not the issue here.

We cannot look at this from the Liberal government point of view and say that this is Alberta's problem. This is about an economic theory, to my mind, whereby governments should not place themselves in a position to make a profit off industry profit. That is not government's role. We can look at any economic theory and see that this is not the role of government. The motivation here is for the government to turn its back when the consumer's price goes up because that way it makes money. That is wrong.

I hope we do not let the debate deteriorate by saying, "Let me see your numbers. Let me see your small percentage of who gets what". The fact is that the government has placed itself in a position where it makes a profit off people who are dealing with monopolies. I think the government should get back to being a little more accountable on the issue and should not blame one province or another.

• (1955)

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, I am pleased to rise tonight to discuss gasoline prices, the rapid increase in fuel prices and costs and the effects on Canadians. It certainly has spiked in recent weeks and it has caused a very direct effect on many industries and certainly all consumers in the country of all fuel products.

*S. O. 52*

Some industries have been very directly affected. The trucking industry has been mentioned. It is very directly related to fuel costs. The airline industry which in recent months had shown some signs of real growth and profit potential has really been hit by these high fuel costs. Obviously people in the agriculture industry who are now trying to cultivate the fields are really feeling the impact of these high fuel costs.

That is essentially why we are having this debate tonight, not to mention all consumers who use these products. Right now the big focus is on those who drive vehicles and fill up at the pumps. I think an even bigger problem is looming for consumers, particularly those on fixed incomes, who will be using home heating fuels this winter and not only the increase in gasoline prices at the retail level but the increase in the price of natural gas, something which has not been mentioned here tonight. That is going to have a real impact for people on home heating fuels.

I would like to provide some background on what actually goes into the price of gasoline. There are four main components that we have to keep in mind.

The first is the price of crude oil. It is determined globally. The Minister of Industry said that Canadians produce about 3%. We are price takers. We cannot directly control the price of crude oil. We have to take that price. The main factors are things like OPEC. Obviously political events have a dramatic effect. The demand caused by emerging economies such as China, Brazil and India are an influence as well.

The second component is the wholesale price, which is commonly referred to as the rack price, which is charged to gasoline marketers by refiners. This is on a North American basis. It explains partly some of the regional diversions in gasoline prices. Gasoline at the wholesale level is very much on the North American market, which is why if we exclude taxes, gasoline prices in the New England area, the Atlantic area or eastern Canada, or gasoline prices in western Canada if we exclude taxes are often very similar.

The third component is the retail margin which is the local gas stations where we fill up. This tends to be very competitive. The level of competition tends to determine how low prices are relative to other regional markets.

It is very complex to go from oil out of the ground to the refined product at the pump. There are many influencing factors.

There have been some calls for government to control these markets. In my view we should not control the markets in terms of these three levels. We should allow them to operate as freely as possible. If government were to try to intervene at the crude level, the wholesale level or at the retail level, in my view it would actually lead to distortions which would cause the price to increase.

As my colleague the member for Vancouver Island North pointed out, people who build a large refinery need a lot of investor confidence. They need some stability. They need to know that they are going reap some investment from that in order to build the increased refining capacity in North America. We are not advocating government intervention in these areas.

I also point out to those people who want to regulate gasoline prices in Canada that it can be done but it is done at the provincial level. It is not a mandate of the federal government to regulate gasoline prices. That responsibility lies with the provinces. I would not recommend a province follow that route, but if members of the House want gasoline prices to be regulated, then they should pressure their provincial governments to do so.

The fourth component is taxes. From the information presented to us from the Department of Natural Resources, we find about 39% of the total cost of the price of gasoline is taxes. It is not just federal taxes. It is provincial taxes and in fact includes some municipal taxes. That is a very large component in the price of gasoline.

● (2000)

To provide some background, from a federal point of view there are three types of taxes that are imposed. Royalty taxes are imposed at the extraction stage and enter the manufacturer's total cost or base price before profit margins and other taxes. There are the excise taxes, the federal government's 10¢ per litre excise tax on gasoline and 4¢ per litre excise tax on diesel fuel. Excise taxes generate about \$5 billion to \$6 billion each year for the government.

There are also the sales taxes which are the variable taxes, the GST and the HST. They are different from the excise tax. This is important and it is why our party is calling for some relief in terms of the GST applied at the pump. The amount of GST or HST is calculated as a percentage and therefore rises or falls with every increase or decrease in price and other taxes. Those sales tax rates may not change, in other words 7% is applied, but the amount collected does change. That is what our leader was trying to explain to the government during question period. As the price goes up, the amount collected from the GST goes up and the government coffers benefit. Our view is that the benefit should flow to the consumers, not to the incumbent government.

The only way to provide immediate relief to consumers is therefore to reduce taxes. That is why we have called on the government for months now to apply some relief, to stop charging the GST and other taxes, to axe the tax on tax, and to even consider perhaps that if the rate reaches such a level, to stop applying the GST on taxes as a whole.

I would also like to comment on some of the things that the new Minister of Natural Resources commented upon, and the Minister of Industry did as well. That is the whole issue of refining capacity.

S. O. 52

In order to develop more refining capacity in this country we would need to have an energy policy framework whereby people in the energy sector would have some sort of an idea as to what the government's policy is on energy. I would say respectfully that the government has no energy framework policy. In fact a lot of people in the energy sector, and there is a good group that has been formed, the energy dialogue group, with members from the oil and gas, the wind and solar and the electricity sectors, would state that the federal government has shown an absolute lack of leadership on this entire issue.

If one wants to create more refining capacity in this country or in the United States, one will need some sort of framework to provide to these associations. It is interesting. It is not just the oil and gas sector. It is the wind sector and the solar sector that are saying this about the government.

The Minister of Natural Resources was talking about the fact that he drives a hybrid vehicle and he was outlining all the programs that the government has done. One of the things the government could have done from a very practical basis is to do what many states have done, and what the federal government in the United States has done, and that is to provide a tax credit for those people who purchase a hybrid or a clean diesel vehicle. It would lower the amount that they pay for a hybrid vehicle, which is typically about \$6,000 more per vehicle. It would lower that amount. It would still be a little more expensive than a standard vehicle but over time it would hopefully pay off if they drove it over a seven or ten year period.

In terms of providing more information and transparency, for which members of the Bloc Québécois and members of our party have called for years, we are fully supportive of that and we endorsed it in a 2003 industry committee report. We would encourage the industry to do that, but if the Department of Natural Resources feels that it needs to provide more information, that Canadians be more transparent, we would obviously be supportive of that. The one thing the government could do on a very immediate basis to provide some relief to consumers and to industries is to take some action and stop collecting so much tax at the pump. That is what it could do immediately. That is what it should do. That is what a Conservative government would do if it were in power in this country.

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, from my perspective the big problem is heating fuel for low income people as someone mentioned earlier tonight. Should prices persist, and it is not certain that they will, then that has to be dealt with. The only alternative offered by the Conservative Party is over-simplified and is not going to help those people in a big way.

Those members give the impression that there is a large windfall from taxes for the federal government but there is no proof that there is. The excise tax is 10% per litre and that does not go up at all when the prices go up. The 7% GST is, as those members have said, a tax on a tax and that does go up when the price goes up.

There are mitigating factors that also cause the government to lose money. First of all it has to pay more for things that are indexed to inflation caused by these increases such as the GST rebate, old age security, et cetera. The government loses money in that respect. It

also loses money when prices go up because people purchase less fuel. This is certainly not a windfall for the government and it may even lose money because of the total increase in price.

There have been several experiments with decreasing taxes, at least one in Canada and a couple in the United States, just as the Conservatives are proposing, but the decrease did not get passed on to the consumer. In Indiana and Illinois after a six month trial period it cost the government millions of dollars. That money could have been put into some other solution to help low income people. In one state the consumer ended up gaining only an amount equal to one tank of gas. In the other state the consumer ended up gaining an amount equal to half a tank of gas.

It sounds good on the surface but it has been proven that a large percentage of the good intention of decreasing taxes does not get passed on to the consumer, and from my perspective, to the low income people who are the ones who really need it.

I would like to know if the member's party has any other suggestions over and above the tax one to deal with this situation especially with respect to home heating fuel for low income people?

• (2005)

**Mr. James Rajotte:** Mr. Speaker, I strongly disagree with the member opposite that this would not have an impact. There would be an immediate impact. It would be an action way beyond any of the words offered by any of the members opposite tonight.

The member said that the government does not benefit that much but it has had a windfall of over \$300 million. I do not see how that is not much of a benefit to the government.

I will take no lectures from any member opposite about seniors, especially after the last budget in which the government's increase to seniors will result in about \$30 per senior by 2007. That is an absolutely shameful way to treat seniors in this country. I do not think we in this party need any lecture from the government on that.

We have offered other initiatives. Before the last election we talked about things to improve energy efficiency in Canada, like reducing the capital depreciation tax on manufacturers across this country as part of an overall energy framework. We talked about addressing things like the over-utilization of things like natural gas, which is causing home heating fuels to increase. People in this sector have been calling for some leadership from the government for years now and have not been getting any. This would lower the cost of these products over time and provide more stability. There are things like what the provincial Liberals in Ontario are doing in terms of deciding one day they may shut down all the coal fired plants, ignoring the good work done in clean coal technology in provinces like Alberta. It is just contributing to the instability and the overall increase in these prices.

The immediate thing the government could do would be to stop applying the GST to the excise tax and give back the \$300 million windfall to Canadians. It is going to be reaping more of a benefit in the future. The government could look at things like a tax credit for hybrid vehicles. It could look at affecting capital depreciation rates. It could also look at an overall energy policy framework that would provide more stability to consumers and industries across this country.

*S. O. 52*

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I am pleased to have a chance to be a part of this very important debate on the first night of the start of our fall session.

It is top of mind for many Canadians. It is a matter of considerable urgency and it is a matter of profound public interest. I want to commend the members of the Bloc who initiated the debate tonight and thank everyone for their participation.

Having listened to some of the government members, I have a hard time believing that they take this all that seriously. As a member of Parliament, I have a hard time believing that members on the government benches really know how much this impacts the lives of ordinary Canadians. We are not talking about some intellectual topic. We are not talking about some airy-fairy matter that does not impact the lives of people. We are talking about something that has a profound impact on the lives of Canadians and on their ability to meet the needs of their families and to continue to provide for themselves and their loved ones.

The increase in gas and oil prices over the last while is hurting Canadians. It is particularly hurting those who are the most vulnerable: low income Canadians, small businesses, truck drivers, rural postal carriers, people who depend on a vehicle for their livelihood. They are susceptible and vulnerable to the price of gas and they are put in an ever increasingly difficult position of making ends meet because of the increase in the price of oil and gas.

We are all feeling the impact. We are all hearing from constituents everywhere about the seriousness of this issue. I want to refer to one that I just received a couple of days ago from a constituent, Nancy Ursuliak, who writes:

As one of your constituents, I want to let you know that I am furious at the blatant profiteering that is driving the cost of gas and oil sky-high, and at the inaction of the Liberal government to rein in the greedy. I shudder to think of the plight of low- and fixed-income citizens as they try to keep warm this winter, of the elderly in areas where there is no efficient and affordable public transit as they try to get to medical appointments or simply do their shopping.

There are many others who are writing and asking us to take note and to take action. I have a hard time tonight hearing what plans the government has to meet the needs of those Canadians.

We have before us some suggestions from the Conservative opposition to reduce gas tax. We have recommendations from the members of the Bloc to look at a more meaningful rebate system. The bottom line is that there must be some relief for Canadians and there must be long term plans on the part of the government to deal with issues of transparency, accountability and sustainability.

We on this side of the House may not have leapt on board the Conservatives' call for the lowering of the gas tax. In fact, we are not sure that gets to the root of the problem, but we certainly are in favour of some relief for Canadians. We certainly want to see a rebate program that reaches out and meets the needs of Canadians who are most in need.

We all remember the last attempt by the Liberal government to provide such a rebate and its dismal failure because it did not take into account the full dimensions of the Canadian public. It did not fully address the needs of all Canadians. Particularly I recall the failure of the government to include students in its rebate program.

Needless to say, it was not a satisfactory response to the crisis at the time. What we need now is a comprehensive approach to the concerns of Canadians.

Our first priority must be the pressures that Canadians are feeling right now, those who are suffering and trying to make ends meet. Our second priority must be accountability of the oil and gas corporations to the Canadian public and to this Parliament.

●(2010)

If one listened to the debate tonight, one would almost get the feeling, at least from the Conservatives and the Liberals, that the oil and gas companies have nothing to do with this, that in fact the huge increase in the price of gas at the pumps and the expected increase in terms of home heating fuel has nothing to do with the record profits of the oil and gas companies.

It is as if we can ignore the tripling of profits of oil and gas companies since Katrina. It is as if we can ignore the fact that gas and oil profits have leaped \$12 billion a year since 2002. It is as if we can ignore that the estimated total profits for the oil and gas sector is approximately \$52 billion. It is as if we can ignore the words of the Canadian Independent Petroleum Marketers Association that appeared before the industry committee this week. It pointed out in very clear terms to the parliamentarians on that committee that it was the way in which the industry was organized and the way in which profits were accumulated that had the most direct bearing on the situation facing Canadians today.

I want to quote from the brief presented to the industry committee last week by a representative of the Canadian Independent Petroleum Marketers Association, who said:

What are the causes of high gasoline prices? The crux of the problem is as follows. The global demand for oil is growing at an unprecedented rate. A very limited number of vertically integrated oil companies exercise total control over all aspects of the petroleum industry from the production of crude oil, to refining, to distributing, to wholesaling, and even to retailing the refined products to the final consumers.

This individual goes on to state:

What we are now faced with is an escalating problem that is affecting the global economy to such an extent that there is an urgent need to address the issues I have outlined.

The representative of the association goes on to suggest that we cannot ignore the way in which crude oil is increasing on a world basis. We cannot ignore the fact that we are reaching peak oil. This is something the government has failed to address.

This brings me to my second concern and that is efficiency. Unless we accept the fact that we are reaching peak oil in the country, unless we understand that we are approaching the end of availability of oil and gas resources in the country, we will be unable to grapple with the situation today of energy prices out of reach of consumers.

If there is one issue that the government has talked a lot about and failed to act on, it is the green car strategies with respect to Kyoto protocol and fuel efficiency. There has been a lot of talk, a lot of rhetoric, but no action.

*S. O. 52*

Without a concerted plan to reduce our reliance on oil and gas resources and without a determined effort to switch to alternative sources of energy and to alternative transportation systems, there is no way in the world we can avoid the crisis that is looming. I refer again to a constituent who wrote to me only a couple of months ago. David MacVicar said:

As you may or may not know, we are near the global oil production peak...It also looks like North America has peaked in natural gas production as well. Both of these production peaks have enormous implications for Canada and the world. It will be a test to our way of life...

Our federal Liberal government has done nothing to address this issue. In fact, they have made the situation worse during their time in government. What we need is a government that isn't scared to stand up and say that Canada's economy cannot continue to grow and recommend other countries do the same.

Those words point all of us in a direction that must be considered tonight. How do we move to greater efficiency in this whole area? How do we ensure that we are ready for peak oil? How do we ensure that we have put in place a plan for long term sustainability?

• (2015)

Unless we deal with the impact on consumers today of oil and gas prices that are going through the roof, unless we deal with gouging by large oil and gas companies, unless we deal with the kind of profiteering that is going on, unless we deal with the need for alternative energy sources and mandatory fuel efficiencies, unless we deal with accountability by oil corporations to the government and to the people of Canada, we will be unable to achieve what all of us want, and that is for Canadians to pursue a decent quality of life—

• (2020)

**The Acting Speaker (Mr. Marcel Proulx):** I want to confirm that the hon. member intends to split her time.

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, I apologize. I got so carried away speaking I forgot to tell you that will be splitting my time with the member for New Westminster—Coquitlam.

**The Acting Speaker (Mr. Marcel Proulx):** Questions and comments, the hon. member for Vegreville—Wainwright.

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker. Persistence pays. There are two things that are very clear as a result of tonight's debate. First, both the revenue minister and the industry minister have indicated clearly that they are pretty happy with the high fuel prices and that they have no problem with that.

Furthermore, under access to information about a year ago, the Conservative Party found a document, which I believe has now been put on the Department of the Environment web page, in which the government said it would like to see gasoline prices up around \$1.40 a litre. It is very close to that. From what the ministers said tonight and from what was in the document that the Conservative Party received under access to information, and we have talked about this in the past, the government likes the high gasoline prices.

The second thing is the government likes tax and high tax. It has refused to do the one thing it really can do, which is to reduce the tax component of fuel. That is very clear from not only tonight's debate, but from the action from the government over the past months and years.

What I found in my constituency—

**An hon. member:** What is the question to the member?

**Mr. Leon Benoit:** A lot of people from central Canada, like the Liberal member hollering over there—

**Hon. Walt Lastewka:** Mr. Speaker, I rise on a point of order. I thought the member from the NDP spoke and there were supposed to be some questions for that member.

**The Acting Speaker (Mr. Marcel Proulx):** May I remind the hon. member that this period is questions and comments. I would ask the hon. member for Vegreville—Wainwright to please continue.

**Mr. Leon Benoit:** Mr. Speaker, I can understand the member from the government side being upset with what I have said. It is the truth and it hurts, and he knows that.

What I have heard from central Canada, like from that member's part of the country, is that Alberta is filthy rich. Other comments are that the federal government is doing such a good job because it has surpluses. Both have some problems, the first with Alberta being so rich.

My constituency office has received calls from constituents who do not know how they will pay their heating bill this winter. Their incomes are fixed and pensions have not been indexed to meet the increase in fuel costs. Therefore, they are going to have severe problems.

Could the member comment on those people on fixed incomes, probably about a third of my constituents, and how they will pay these high heating costs this winter?

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, Canadians are calling us and writing to us each and every day about how can they keep up with this ever escalating price of oil and gas.

As I said in the debate, I do not agree necessarily with the Conservative approach of simply cutting the tax on gas. That is an approach that leaves the real culprits off the hook. That does not get at the fundamental issue, which is the profitability or the price gouging of these oil and gas companies. They have such a monopoly over the situation that they can basically charge the price they want.

It is not an easy matter to address. However, the government can be more proactive in regulating the industry. We may be unable to control the weather that leads to certain market conditions, but we can control the industry from dumping these markets spikes onto the laps of consumers. We can protect the consumer from these huge spikes in the prices at the pumps.

Our goal has to be to eliminate the potential for market manipulation, to drive down consumption of oil and gas which would moderate price volatility and reduce pollution. That is the challenge for all of us.

• (2025)

[Translation]

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I would like to thank my colleague from Winnipeg North for giving me the opportunity to share this time with her.

*S. O. 52*

[*English*]

As we are all aware, gas prices are an issue of extreme importance right across the country. In Burnaby—New Westminster it is equally an issue of extreme importance.

With the approach of winter we will be seeing the consequences of this sharp and sudden spike in gas prices, much of this taking place with old stock. After hurricane Katrina we saw a rapid spike upward that has meant consequences, particularly for low income Canadians, that we have to be very conscious of.

I heard a program on the radio the other day advising seniors on the best methods for making that desperate choice between eating or heating. I find it deplorable that in a country as wealthy as Canada we are asking lower income Canadians, Canadians who have suffered the most from the stagnation of the past 15 years, to actually choose between buying groceries or going to the food bank at the end of the month or heating their homes or apartments.

We are also talking about the fundamental impact on those who must drive as part of making their living. This sudden spike in gas prices is having an impact on truckers, taxi drivers and rural route postal workers.

Over the past 15 years 80% of Canadian families have seen a reduction in income in real terms. We are talking about a desperate situation that is being made much worse.

What is the solution? The NDP, as my colleague from Winnipeg North has pointed out, has put forward a very sensible three point plan to address these issues immediately. We cannot afford to wait. The first and primary point in this three point plan is the issue of accountability in pricing. We have believed and have been pushing for many years in Parliament to have a watchdog over the type of price manipulation and profiteering that we have seen most recently.

I heard who attended the industry committee hearings last week. A consultant in the oil and gas industry said to committee members that the profit margins for refining had been spectacular over the past few weeks. When we say spectacular in the hands of the oil companies we know what impact that has been for Canadians across the country, in particular low income Canadians.

We have seen record profits. I will mention just a few of them for the record because it is important. Exxon's worldwide profits increased by 32% in the second quarter of this year, up to \$7.64 billion; Royal Dutch/Shell profits are up to \$3.9 billion; Esso profits are up to \$539 million; Shell Canada profits are now up over half a billion dollars.

At the same time as we have seen these record profits in the oil and gas industry, and we are not talking about the mom and pop shops that existed across the country, in refining with the big oil we are seeing record levels of profit and we have seen the Liberal government pushing down the corporate income tax rates for the oil and gas sector. It was 28% in the year 2000 and it will be down to 21% in 2007.

At the same time as we are seeing record profits in the oil and gas sector and we are seeing huge price increases for heating oil and for gas, it is important to note the extensive subsidies that come out of the taxpayer's pocket.

Pembina Institute produced a report on government spending on Canada's oil and gas industry. What the Pembina Institute concluded was that the Government of Canada provided the oil and gas industry with \$1.446 billion in subsidies in 2002. I am quoting from the report summary.

● (2030)

The increase in subsidies between 1996 and 2000 was 33%. Total expenditures between 1996 and 2002 inclusive were equal to \$8.3 billion. The federal government expenditure on oil sands alone was estimated to be over \$1.1 billion.

We are talking about a heavily subsidized industry with corporate tax rates that are actually declining and corporate profits that are at a record rate and yet there is no accountability for pricing. It is unbelievable that while Canadians are facing these sharp price increases it has only been the NDP calling for a watchdog on the industry. Only the NDP has said that there must be accountability in pricing. Only the NDP is standing up for consumers and saying no to the oil and gas companies. We are the ones telling them that they cannot gouge the public and that we will stand up and fight for Canadians from coast to coast to coast. That is the first point in the three point plan.

The second point is greater energy efficiency. We saw this last spring when 19 NDP caucus members forced through major changes to the finance minister's budget. As a result of that, \$900 million will be going to rapid transit and energy efficiency. We would like to expand that program. We also called for mandatory fuel efficiency. We are the only party in the House to actually call for mandatory fuel efficiency. The Liberals and Conservatives were opposed. Mandatory fuel efficiency helps Canadians.

The third point, equally important to others, is cost relief for the most vulnerable Canadians in Canada. We are pushing for rebates through the tax system so we can help those Canadians who are facing the choice this winter between eating and heating.

Those are the three key points that we have put forward in the public and which we are now putting forward in the House to deal with what is an emergency. This evening's debate is an emergency debate and it is an emergency for low income Canadians, for seniors on fixed incomes, for single parent families and for Canadians who are already suffering from the loss of real income that has taken place over the last 15 years. This is no small issue. This is an emergency which is why we have called for a watchdog agency and for increased energy efficiency. We need to protect the most vulnerable members of our society.

S. O. 52

In getting back to the issue of the watchdog, I should mention the petroleum monitoring agency that would monitor prices to avoid the kind of sharp increase in price that we saw on old stock that was produced at the lower prices but was charged at the higher prices. While we have been calling for this, the industry committee in 2003 actually agreed with the idea of having a watchdog agency and the NDP pushed that issue forward. Members of the Alliance Party at that time, now the Conservative Party, were fundamentally opposed to any overseeing of Canadians' interests through a petroleum monitoring agency. Members of the Liberal Party said that they were in favour of this but, as we can see two years later, the issue is much worse and nothing has been done. For two years now we have continued to call for that watchdog which is of fundamental importance in protecting Canadians' interests.

We also have been raising the issue of proportionality. We know through NAFTA and the dispute settlement mechanism that was ripped up by President Bush just a few weeks ago that what Canada gave away in those negotiations was proportionality on our energy. If we reduce supply, even in the event of a national emergency, we are now forced to reduce domestic supply proportionate to the exports that we may reduce. Other countries have a dual pricing regime in place. Countries like Saudi Arabia have a dual pricing regime in place. We do not have dual pricing to benefit Canadians. We have a proportionality where we continue to export most of our energy to the United States, even in a situation where to all intents and purposes the dispute settlement mechanism and the signature for NAFTA have been ripped up and the signature that the United States applied to NAFTA has basically been disabused.

Those are our solutions in our three point plan. We are hoping through the debate this evening that other members of the House will take note of our three point plan to help Canadians deal with this emergency so that we can start helping Canadians through this winter and help them cope with these high gas prices.

• (2035)

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Mr. Speaker, it is good to be back in Ottawa working for my constituents in the riding of Bruce—Grey—Owen Sound.

Last Wednesday I along with the people in my riding watched prices go from an average of about \$1.049 up to as high as \$1.72 in about 12 hours and in less than 24 hours later it was back down to a range of 98¢ to \$1.02 per litre, where it sits today. The fluctuation was in the range of somewhere near 70¢ per litre.

Would my colleague from British Columbia not call that price gouging in the worst possible way? It is the same thing when we come up with some suggestions about tax cutting. On the one hand my colleague over there seems to indicate that he would like to see something happen to help Canadians but when it comes to any tax cuts the government over there says that it cannot do that and that it will not even consider it. Those were the exact words, I believe, because the oil companies are just going to eat that all up.

Does my colleague not think that indicates that there is something seriously wrong within the industry? We talked about price gouging and I am going to ask the question. Our colleague talked about the NDP. It was gouging us back here for \$4.6 billion in the spring. What kind of review or framework policy changes does my

colleague think need to happen within the gas and oil industry to actually help the consumer and businessmen across the country?

**Mr. Peter Julian:** Mr. Speaker, I actually agree with the two points my colleague from the Conservative Party made. He said that there was something seriously wrong in the industry and I agree. That is why we have been calling for a watchdog, a petroleum prices review board, a monitoring agency to ensure that this kind of price gouging and profiteering in the industry is held in check. That is government responsibility. We have to have balance in the sector. We cannot simply have the law of the jungle where large oil companies are extremely profitable. They have had record profits because they are able to do whatever they want to manipulate pricing.

Those who set public policy have to be responsible and tell Canadians that these things will be monitored through a watchdog agency. Since he made the comment that there is something seriously wrong in the industry, I would hope he would agree with us and our caucus and push forward the idea of a watchdog. We have been pushing it for a couple of years. I hope this is the time where the rest of the House will listen and agree with that point.

I also agree with his second point that the Liberal government has done nothing to address the issue. It is just one of a whole series of issues where the Liberals have done nothing.

On the softwood lumber issue, which is near and dear to my heart because the British Columbia industry is bleeding \$4 million a day in punitive tariffs, we have seen nothing but empty words and posturing from the government rather than taking the kinds of measures that should be taken. I agree with his two points and I hope he will join me and my colleagues in pushing for the watchdog, the petroleum prices monitoring agency, so this kind of thing cannot happen to Canadians again.

• (2040)

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I would first like to go back to the monitoring agency. My question to the member for Burnaby—New Westminister is this. The Bloc Québécois proposed the motion to create this monitoring agency at the Standing Committee on Industry, Natural Resources, Science and Technology in February 2003. In November 2003, a committee report recommended the creation of this agency. This has still not been done and it is worrisome.

Why? Because the first week of September, the net profit of oil refiners was 45¢ a litre, when we know that, at 7¢ a litre, they are making a reasonable profit. Consequently, since 2003, that is from 2004 to 2005, oil companies have increased their profits by \$1.5 billion a year. We expect that \$2 billion extra will be added to their profits, which were at \$7 billion in 2003 and which will exceed \$10 billion in 2006.

Here is the question we are asking ourselves. Why is the government maintaining its position and refusing to create this agency that would put money back directly into the pockets of taxpayers instead of into the pockets of big oil companies?

**Mr. Peter Julian:** Mr. Speaker, I thank the hon. member for his question.

S. O. 52

It is beyond understanding that the government did not act since we know that there is a crisis right now and we know how it affects all Canadians.

The position of the NDP is well known. We also know that the Bloc has proposed the creation of a monitoring agency. We just heard the Conservative Party member. All that is interesting. The member from the Conservative Party said that he too found problems in the industry. Two years ago, Liberal members said the same thing and argued for a monitoring agency.

It is hoped that by the end of tonight's debate, a concrete solution will have been found. That could very well be the creation of a monitoring agency to protect Canadians from what has been going on in recent months and more precisely in recent weeks, where we saw unjustified price increase.

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I will be splitting my time with the hon. member for Algoma—Manitoulin—Kapusking.

There are too many dimensions here to address in a 10 minute speech. I will just declare that the long term approach to higher energy prices and gas prices has been well addressed by both ministers who spoke earlier, so I will not talk about some of those long term things that we can do.

I am sure that most members in this place heard very strongly from their constituents about their concerns on this issue. It is an important issue. The better educated all members and Canadians are about what the push pulls of energy pricing are, the better off we are. Then we will all begin to agree on what are our viable options to dealing with the spike in energy costs.

I am not just talking about gasoline. We have just had an increase of over 15% in natural gas costs in Ontario effective July 1, and it is expected that all other forms of energy will also follow suit, so we are definitely in for a significant increase in the cost of energy.

I also want to declare that I do not want to talk about the commercial aspect like truckers and whatever. There are some special things like flowthrough or input tax credits on GST. It would not make the numbers comparable, so I want to talk about the ordinary consumer, who is the end user of the commodity, in this case being gas.

I also want to declare that we cannot just talk nationally about this because we have excise taxes at both levels of government, but each province is different. We have HST in the east and we have no provincial tax in Alberta. From the perspective of Ontario, I can give an idea to Canadians about what is included in the price of gas.

In the province of Ontario, if refiners produced a litre of fuel at 70¢ per litre, there is a 10¢ excise tax per litre, which brings it up to 80¢. Then there is a 15¢, actually it is 14.7¢, provincial excise tax, which now brings it up to 95¢. Then there is GST that we pay on commodities that we purchase. That is 7% of 95¢, which is 6.5¢. That litre of gas that the producer produced at 70¢ will now cost the consumer 101.65¢, around a dollar.

As we can see, in terms of a litre of gas that was produced at 70¢, the producer cost to the consumer is 70% of the total and 30% is

taxes split between the federal and provincial governments. In fact, 15¢ is provincial and 16.65¢ is federal, so it is roughly split between the two. Compare that to the situation where the world price of a barrel of oil increases and all of a sudden the refiners have to purchase that oil at higher world prices.

Let us say they produce it at \$1. The provincial excise tax stays the same because it is on a per litre basis. It does not matter how much the commodity costs, it is still 15¢. The federal excise tax is also the same. It is still 10¢. It does not go up with the price of the commodity. It is a flat price per litre.

That \$1 per litre of produced refined product, plus the 15¢ provincial excise tax and the 10¢ federal excise tax brings us up to 25¢ and the GST on top of that is 8.75¢, so it is now 133.75¢, almost \$1.34. Of all of that, 75% of the component cost is the producer cost. It is the \$1 as a per cent of \$1.34 that the consumer pays.

The federal component, which is important to understand in either scenario, ranges from about 14% to 16% as the federal take. Canadians should know what it will mean. People told me that gas is up at \$1.20 and it really should be back at 75¢.

● (2045)

I asked the question and received the answer this evening about the one penny reduction in taxes to Canadians. A one penny reduction in any tax, either the excise tax or the GST, is \$400 million. When people say why do we not have a 5¢ reduction, that would result in \$2 billion. Now we have to talk about the magnitude of the revenue impacts to the government because people are actually saying gas should be 75¢ or 85¢. In other words, we are talking about maybe a 25¢ reduction in the consumer cost per litre which would be \$10 billion. I do not know where we get the \$10 billion because that would certainly impinge on the things that are also important to Canadians such as health care.

Let me move on. There will be some discussion about the tax on tax. This has to do with the fact that the goods and services tax, as with any natural resources product where there is an excise tax, is a federal excise tax included in the price. It is 10¢ and the 7% GST is .7¢. So the tax on the tax is only .7¢. Even if we include it on the provincial portion, the maximum we are talking about is 1.75¢. It is not enough that it would really change things. But people say we still have to do something. I agree. We should do something.

Supply and demand issues I am sure have been discussed and will be discussed by others, but we do know that the OPEC countries, Brazil and Mexico, are the ones that feed the supply for the world demand for oil. Even though Alberta produces oil and we have some offshore oil, we are price takers. We are not price setters. Canada does not make the prices. That is the reality. We cannot tell Alberta that it should set a different or more beneficial price for Canadian consumers. Alberta producers are in business and unfortunately we cannot have it both ways. In a democratic society, in a free trade society, they have to have that opportunity.

It is extremely important not to forget that as part of the last election campaign platform and it is in the process of being delivered, half of that federal Excise Tax Act money has been promised and it is going to be delivered to the municipalities across the country over the next five years. It is almost \$5 billion. Of the taxes that we are collecting on gasoline, some is already going to the municipalities for infrastructure, for green projects, for transit, for all of those things that are very much related to this whole energy equation because it is not just driving a car. Everything we touch has something to do with fuel.

I would like to see three things happen. First, I would like to continue our commitment to the municipalities across the country, so that they will continue to get 50% of the federal excise tax. Second, I am very much in favour of yet another energy rebate to low and modest Canadians to reflect the fact that there is a spike of energy costs. It may be more than a spike. It may be lasting. If we were to give it across the board, that means the amount that any one Canadian would get would be smaller. If we were to focus it and target it on those most in need, those least able to afford these higher increases, we would be able to allow a little bit more.

Finally, and this is extremely important. When Canadians say one gas station has a price that changes and the guy on the opposite corner changes his price, they say it must be anti-competitive activity, it must be collusion, and it must be price-fixing. Canadians do not believe what they are hearing. The minister said in his speech that there was no evidence in the last review of any anti-competitive activity. If Canadians are not convinced, we have to do something to convince them. That is why we should have some changes in the Competition Act that would permit the Competition Bureau to trigger its own investigations at its own volition rather than having to wait for a complaint to be formally lodged, so that it can be a more aggressive watchdog on behalf of all Canadians.

• (2050)

**Mr. Jeff Watson (Essex, CPC):** Mr. Speaker, there is no incentive for oil companies to increase production if the result is a drop in both price and their profits. We know this. The Liberal government knows this too. It has an incentive, therefore, to let prices stay high precisely because it rakes in millions of dollars in taxes: millions from small businesses, from seniors on fixed incomes, from farmers and from rural Canadians who do not have access to public transit.

Not only does the Liberal government profit by millions of dollars from Canada's most vulnerable with high gas taxes, but Environment Canada reported that to meet its Kyoto objectives the Liberal government wants a target price of over \$1.40 a litre in the price of gas at the pumps, which is higher than what we are seeing at the pumps today.

My question is very simple. Why does the government talk about looking for ways to help vulnerable Canadians today when it secretly plans for higher prices at the pumps tomorrow?

**Mr. Paul Szabo:** Mr. Speaker, people who want to play politics with an issue that is very important to Canadians will learn very quickly, and to read the same answer or statement that a member gave before verbatim and put words in somebody else's mouth, there is absolutely no truth whatsoever.

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In fact, the Government of Canada is also one of the largest consumers of petroleum products. Higher commodity prices are going to also cost the government, which means our costs to provide those services go up. There is no advantage to the Government of Canada. As a matter of fact, because the federal excise tax is on a per litre basis, higher prices do not generate any more federal excise tax.

**An hon. member:** It does for the GST.

**Mr. Paul Szabo:** Mr. Speaker, it is simply the GST. There is absolutely no benefit to that because of the GST credits that have to go out to offset it. Calculations have been done showing that on this basis even the jump from \$1 to \$1.30 was a net benefit to the Government of Canada of about 2.1¢. That works out to about \$800 million, and I am sorry, but one would not do that for \$800 million. We are giving half the excise tax to municipalities over the next five years for important long term investments. We are going to help with this problem.

To simply not even address some of the fundamental points that Canadians are interested in, and to play politics, to be partisan on this issue, is shameful.

• (2055)

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, the member from Mississauga South seems to forget that, in the end, his nice calculation is meant for a perfect world where prices hardly vary. Our problem is that, within a few weeks at the beginning of September, the price variation reached 40 to 50¢ per litre and that oil companies have put 45¢ per litre in their pockets just for refining. In 2005, oil company profits will increase by nearly \$1.5 billion, rising from \$7.2 billion to \$8.6 billion. If nobody stops them, their profits will reach \$10.9 billion in 2006, which is a \$2 billion increase.

What he tells us is that, while the government is not making more, except from the GST, its friends, the oil companies, are raking in huge profits and every quarter, money is flowing into shareholders' pockets. That is what we want to stop.

The problem is that oil companies are using crude oil price increases to rake in huge profits from refining. That is what we want to prevent through a petroleum monitoring agency. When refineries make profits, they should be fair and reasonable profits, without abusing people each time there is a crude oil price increase.

I do not understand why the government does not agree with our proposal for the creation of the petroleum monitoring agency. Why does the government not decide, if it is making huge surpluses with GST, to give back a large part of the money to the people, who greatly need it and who are being swindled by oil companies?

*S. O. 52*

[English]

**Mr. Paul Szabo:** Mr. Speaker, as I indicated in my speech, out of a litre of gas that costs the consumer \$1.33, only 16% is federal revenue. By his statement, I think the member agrees that we do not have a lot of room to play with, with the massive spikes we have seen, but the member should also know that six years ago the world price of a barrel of oil was \$10. Today it is about \$67. If we look at a graph of the price at the pump compared to the world price of a barrel of oil and follow it, we will see that it tracks very well.

The member has raised the issue, which I think most Canadians have also raised, that people just cannot believe it. The profits of the petroleum companies are up 500% over the last few years. How are they making so much money unless they are gouging us? There are these questions, yet we have had the Competition Bureau do these reviews and it has not been able to find any anti-competitive activity.

But I do know the only way we are going to improve the confidence level of Canadians in terms of making sure there is no anti-competitive activity going on is to give more teeth and more power to the Competition Bureau, such as triggering its own investigations, to make absolutely sure.

I have to tell the House that these corporations are blue chip stocks in the Canadian economy. They are held in virtually everybody's RRSP and in company pension plans, et cetera. I do not believe they would ever risk somehow taking money they should not have, but I think Canadians do. As a member I agree that Canadians want greater assurances and independent and frequent monitoring of the pricing mechanism to ensure that those spikes are due to real and unforeseen or uncontrolled activities.

• (2100)

**Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.):** Mr. Speaker, as we begin on the first day of the return of Parliament this fall, my mind is first brought to the fact that we are going to be here most of the next three months until just before Christmas. We will be away from our ridings more and will certainly be away from our families. We know that we will all miss our families and there is the work that awaits us every weekend when we get home to our ridings.

I do not want to miss the chance while we have the member for St. Catharines here in the House to acknowledge that he led the committee when it wrote the report published in November 2003, which led the way on a recommendation that the Government of Canada establish an agency, which the committee report refers to as a petroleum monitoring agency. It was an all party agreement, although the then Alliance Party, now the Conservative Party, issued a dissenting report not agreeing with the consensus of the committee that there should be some kind of monitoring agency. I am confident that the government is looking at some form of monitoring, so I want to extend congratulations to the member for St. Catharines on his leadership at that time.

I would also like to acknowledge the participation of members of the House in a very interesting, all day, special meeting of the industry committee, on the morning, afternoon and evening of last Thursday, September 22. The member for Vancouver Island North, who is here debating tonight, is an important member of that committee. He sat with us all day long. The member for Yukon, the

member for Wellington—Halton Hills and many other members participated in an all party meeting, which I thought was a very good opportunity not only for parliamentarians but for Canadians at large to get a better understanding of how the oil industry works.

We started the meeting with the idea of what happened over recent weeks when the gasoline prices went up so high. More recently we have seen them moderating somewhat, but they have not gone back to their August levels, at least not yet. We hope they will.

We heard from about 25 witnesses. I would like to thank them publicly, at least as many of them as I can get on the record. We had witnesses from the industry, from Ultramar and Petro-Canada and from their associations. We had witnesses representing the independent petroleum marketers, some of the small gas stations we see in our small communities, such as McDougall Fuels in my riding of Algoma—Manitoulin—Kapuskasing. We heard from the Association québécoise des indépendants du pétrole, an organization based in Quebec.

We heard from finance and natural resources officials. We heard from the Competition Bureau. We heard from experts, including the Conference Board of Canada. By the way, the Conference Board has done its own studies and has come to its own conclusions on the oil industry in Canada. I will let the testimony on the record speak for itself.

We heard also from the Canadian Federation of Agriculture, the Canadian Federation of Independent Business, the Canadian Trucking Alliance, the Air Transport Association of Canada, Option consommateurs and the Sierra Club of Canada. We heard from the Consumers' Association of Canada, the Canadian Taxpayers Federation, L'essence à juste prix, the Canadian Renewable Fuels Association, Iogen Corporation and the Coalition pour la défense des consommateurs de carburant du Saguenay-Lac-Saint-Jean.

We heard from a wide variety of witnesses who gave us a very interesting perspective, but we are not there yet. It is obvious to me. I am just the chairman of the committee and I am speaking only for myself at this point. We have not reported, but I expect that after hearing from the ministers we have invited to appear over the meetings ahead and from the other witnesses, the committee will report to Parliament in the weeks ahead based on the desire of committee members to wrap things up. I am sure it will not be months. It will be just a matter of a few weeks, I hope, but there were almost as many suggested solutions as the number of witnesses we heard.

• (2105)

It is not easy to paint a clear picture of what is going on. It is a very complex industry. One of the things I was struck by was the razor thin balance between supply and demand for energy in the form of carbon fuels: gasoline, diesel, heating fuel and so on.

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We heard that the refinery capacity in North America was pushing 90%-plus and that a new refinery has not been built in North America for about 30 years. We have to ask ourselves why. I am not prepared to come to any conclusions. The Competition Bureau commissioner, Ms. Sheridan Scott, reported to us that there is an ongoing study. Even though they reported on retail level allegations of collusion in the past, they are continuing their work. I believe partly in response to the independent fuel retailers they are looking somewhat at the wholesale level of gasoline in the gasoline supply chain right now.

Let us not prejudice what they will conclude, but we all know as members here that our constituents are frustrated. They do not understand why the retail price of gasoline in Kapuskasing is so much higher than it is in downtown Toronto. They do not understand why the price on Manitoulin Island is so different than it might be even in Sudbury, a drive of only an hour and a half to two hours.

Those who drive trucks, particularly logging trucks in the forestry sector, know how difficult it is to pay for the fuel to carry the logs to the pulp and paper mills. They are frustrated. They look to us to provide answers. Whether governments are to blame or not for the high prices of gas is really irrelevant. The consumer, the citizen, the taxpayer simply wants to know what is going on and what can be done about it.

For example, just before I went to the meeting I received an e-mail from Mr. Makela, who is the proprietor of Lauzon Aviation near Blind River in my riding. He has a small bush plane business. I am sure the member for Vancouver Island North has small charter companies and bush plane companies in his riding. These folks have to pay the going rate for aviation fuel and it hurts. Clearly, this is a partisan place that we operate in, but I only hope we can work together for a common goal not only to provide answers to our citizens but to come up with some clear-cut initiatives that will ease the pain and burden.

Gasoline prices today are a challenge. In a rural riding like mine, everybody has to drive any distance to get to one service or another. I have a riding of 110,000 square kilometres. We have to drive somewhere to get many of the services, even if it is to go to a hospital. There is no question about cutting back on driving. If people have to go to a doctor, they have to drive to the doctor. There is no public transit option for my constituents. We hear this frustration and we have to find some answers for them.

As important as gas prices are, I am looking with some trepidation to the winter months and the possible cost of heating fuel, whether it is traditional oil or natural gas, because other forms of energy will get sideswiped in all of this. Energy all combined rises and falls as one piece of the sector rises and falls. I have a letter from the Canadian Gas Association which tells us that gas prices will go up. Hopefully they will not go up unreasonably, but I think we can expect that they will go up.

I am particularly concerned, as no doubt are all of my colleagues in this place, about people on fixed and low incomes, those who are more vulnerable in society. We think of our seniors. I am hoping that the government will find its way to do something to assist the most vulnerable in our society this winter should heating prices be more than manageable.

I am also hopeful that there will be some measures to help our trucking industry or small businesses that are dependent upon fuel prices. The government cannot do everything.

• (2110)

As my colleague from Mississauga South mentioned, a 1¢ cut in the federal excise tax or GST is equivalent to \$400 million per penny. If we look at the U.S. its prices for retail gas are lower than ours, but it does not have medicare. I am sure if those citizens added the cost per month of their universal medicare to the price of gas, our prices would be comparable.

I want us as a government to watch out for those who are vulnerable in society. Let us move aggressively toward more efficiency in our lives, whether it is at home or in transportation. Let us be sure we keep that commitment to municipalities to share the gas tax for their infrastructure.

**Mr. Peter Van Loan (York—Simcoe, CPC):** Madam Speaker, for working families in the riding of York—Simcoe the rising gas prices pose very real challenges. If we think of some of the communities there, Keswick, Alcona, Bradford, Holland Landing, Mount Albert, many people travel great distances to work every day and they have to depend on the automobile. If we think of the rural parts of that constituency, the farmers who rely on gas for their input, the people who have to transport goods, cattle and so on, there is a real impact and it is hurting their lives. Typically those families, the husband and wife both travelling and commuting to work, are budgeted tight. They are trying hard to get ahead, pay the mortgage, make a brighter life for their families, and they cannot accommodate this unexpected giant jump in gas prices. It is a big part of their budget and they cannot afford it.

There are no public transit alternatives open to most of them and thanks to the NDP-Liberal budget deal, there will not be, because in that NDP-Liberal budget deal the transit money was based on ridership. Toronto, where the riders already are and the infrastructure is, got all the money. York region or Simcoe County, where the population is growing and they need the public transit investment, got shortchanged because the formula was skewed against them getting the public transit money.

When we talk about, as the Liberal member before me did, having money from the excise tax for the municipalities, if the rising prices go up and consumption goes down, we know that portion of the revenue that is available for municipalities will actually go down as well. The municipalities will lose out as well from the higher gas prices.

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It is hurting families, it is hurting municipalities, it is hurting everyone, but we do not hear any answers from the government on the simple things it could do. We have a tax on a tax. It is the excise tax that has the GST charged on top of it. There is an excise tax on gasoline and then the government charges GST on the tax. It would be as if we sent in our property tax and we had to add on 7% for the federal government, or if when we filled out our income tax and we had to send in \$12,000 to the government and then we had to add another 7%, another chunk of money, close to \$1,000, just for the GST on our income tax. That is an offensive form of double taxation. The government could do something about it. I would like to hear from the member what he intends to do about it as part of that government.

There is a temporary excise tax that was introduced to deal with the deficit. The deficit was wiped out years ago. That temporary tax was introduced in 1995. It has not been removed. That, too, is an offensive form of taxation on gasoline that could be wiped out.

The fact is that the government is addicted to taxes and any solution that involves reducing taxes is one it rejects.

The Liberal member for Mississauga South just spoke. His concern about tax is to think of all the money the government would lose. That is how the government thinks about taxes, not as money coming from constituents, but as money that goes to the government. It does not realize that people work hard to earn that money.

Finally, we need to see some real competition in the industry. I would like to hear the proposals from the government. It has had a decade to work on that. It has not delivered any solutions. We need to see real solutions for the constituents in York—Simcoe, such as wiping out the tax on the tax and eliminating the temporary excise tax that should have been eliminated years ago and seeing some real competition. I have yet to hear that. I would like to hear that now, a commitment from the government to do those things.

● (2115)

**Mr. Brent St. Denis:** Madam Speaker, I appreciate the comments from the member for York—Simcoe. I would not have enough time to comment on everything he raised. He wanted to get on the record and I appreciate that is his job. Let me pick up on two things he said.

He mentioned farmers. Certainly there are farmers on Manitoulin Island and in the Highway 11 and Highway 17 areas of my riding. It occurred to me last Thursday as I listened to the committee testimony that I referred to earlier that there will be some suppliers of services that will need to pass on their very significant new transportation costs. Farmers are among them.

I do not know if governments can be involved in this. However, I think our society has to accept that for those sectors of the economy for which transportation, and therefore fuel costs, are significant, the passing on of a cost does not bring with it a penalty. In fact, those who purchase these goods must be prepared to accept that the suppliers of these goods have a need to pass on some of these costs.

We need our farmers. We need the forestry sector. We need all sectors of the economy to survive and thrive in this beautiful country of ours.

I am not sure this can be regulated. I am hopeful, with the encouragement of governments at all levels, that the passing on to the next level in the chain of transportation costs can be done in an orderly and managed way.

Finally, on competition, I think the petroleum monitoring on which the former chairman from St. Catharines led us would go a long way toward helping that.

**Mr. Michael Chong (Wellington—Halton Hills, CPC):** Madam Speaker, I will be splitting my time with my colleague, the member for Vancouver Island North.

One of the real causes for rising gas prices is the rising price of oil. Recent events down in the south of the U.S. with the hurricane is another reason for rising prices of oil. While the government would not be prudent if it wanted to control the price of oil, and while the government cannot solve the problem entirely, it can help to mitigate some of the adverse effects, especially on average people who drive, use energy and home heating fuels. The government can act to help mitigate some of the burden put on Canadians as a result of rising fuel and rising home heating costs.

This is important because home heating costs this winter could double. We need to find out what plans the government has to help out the most vulnerable in our society, the elderly, those on fixed incomes, the infirm, to ensure that they have enough money to cover their home heating costs and that the government will not leave them out in the cold this winter.

This is an emergency debate, a take note debate and an important debate. In recent days we have had panic buying and signs of lineups, lineups we have not seen at gas stations since the oil shocks of the 1970s. We saw that happen across southwestern Ontario and the GTA last week. People who work in these areas need to be assured that the government has a handle on this situation. Unfortunately, we have seen no action from the government whatsoever on this file.

The action the government could take and the action we suggest it take on this issue, not to solve rising energy cost problems but to offset them, is to reduce the tax burden on Canadians. Recent reports have said that the government will collect an additional \$2 billion this year as a result of rising fuel prices. Yet the government says that it is not a lot of money. If it reduces taxes 1¢ per litre, the tax burden would only be reduced by \$400 million. Two billion dollars extra in government revenues from rising fuel prices could be offset by a 4¢ or 5¢ reduction in fuel tax prices. The government though seems to pooh-pooh this, that it is not a very significant amount of money and that it will not have a huge impact.

Two billion dollars is a lot of money which if spread across 308 ridings in the country is about \$6 million per riding. In my riding of Wellington—Halton Hills this is \$6 million that is not going to local businesses, or to local restaurants, or to local shopkeepers and local retail outlets. That is \$6 million that is not going to be spent in my riding. Recently local business owners have told me that they have noticed a drop in business as a result of rising gas prices. This is having a significant impact on local economies and on the national economy.

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The government's response to the issue, however, has been that not much should be done because it really will not make a difference. It is clinging to the indefensible position that 1¢ a litre will not make much of a difference. One cent a litre is a lot of difference. It is about a million and a half dollars out of each riding that local businesses no longer have. Four cents per litre is six million dollars out of the local economy. It is a lot of money and the government should act on this.

For every \$400 million that the government says is irrelevant, that is \$400 million out of the Canadian economy and it is \$400 million by which the quality of life for Canadians is made poorer.

● (2120)

Another shortfall of the government's reaction to rising fuel prices and home heating costs is the fact that over the last number of years it has failed to act to encourage and support renewable energy sources. It has dragged its feet on implementing alternative sources of energy to complement hydrocarbon, gasoline and diesel fuels so that the demand for gasoline and diesel has shifted on to other alternative sources. Because of the government's shortsightedness and the fact that it has not acted, demand has significantly risen in recent years. We are now in a situation where many working people are feeling squeezed by rising energy costs.

This has real implications, especially in the manufacturing heartland of Ontario where the manufacturing industry, which already has lost somewhere in the range of 100,000 jobs in Ontario in the last year, is feeling the double squeeze of the rising dollar, which is hurting their exports, and rising fuel prices. Yet the government says that it does not feel there is a problem. Even if there is a problem, \$400 million is not a lot of money to put back into the economy because 1¢ per litre really will not make a difference. We as a party beg to differ and feel the government should act on this.

The other thing I find interesting is because of the government's failure to act on this issue and to provide some guidance and direction, it has started to obfuscate about the spectre of possible anti-competitive behaviour in the gasoline market. It is just a smokescreen for hiding the real fact, which is the its lack of inaction.

There is an old saying that actions speak louder than words and the government's lack of action on rising gas prices and home heating costs speaks for itself.

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Madam Speaker, I object to a statement that the member made about the government not investing in renewable energies. We have been a leader in the world in investing in renewable energies. In the recent budget the highlights were huge increases in our wind energy and a whole new renewable program. We have invested hundreds of thousands of dollars in reducing housing costs. We have invested in solar and ethanol energy.

What is ironic and what riles me about the comment is that Her Majesty's Loyal Opposition always votes against us. It voted against Kyoto where we had a renewable energy plan. It votes against all the investments in this type of supply side management. I agree 100% with the comment that it is what we should be doing and that is what we are doing. Hopefully he can get his party onside with us as we continue to do that and stop voting against such initiatives.

● (2125)

**Mr. Michael Chong:** Madam Speaker, the member's question highlights the government's hypocrisy on renewable energy sources. The government took power in 1993. It is now 2005. I live about an hour and a half from downtown Toronto just outside of Fergus, Ontario. We did not have smog days when the government took power in 1993. We now have plenty of them.

On an average summer day in my riding people choke on the air. We get up at 7 o'clock in the morning to listen to smog advisories and how people who have breathing difficulties should stay indoors. The air quality is so poor that they should not go outside.

The Ontario Medical Association attributes the poor air quality to the government's lack of action on renewable energy and alternative energy sources. The Ontario Medical Association attributes thousands of deaths in the province of Ontario every year to poor air quality because of the government's complete lack of action on a whole range of fronts, whether it be lack of funding for TTC, alternative energy sources or clean air. The facts speak for themselves.

People in the GTA sit in their cars for two to three hours a day because of a lack of infrastructure investments on the part of the government over the last 10 years. People in the GTA are choking on smog. The government has great rhetoric on renewable energy sources, alternative fuels and its commitment to the environment, but the facts speak for themselves. The facts speak to a complete lack of action on the environment, renewable energy, alternative energy and cleaner air.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I listened intently to my Conservative colleague and I hope that he will agree with me. It is true that the government gets more tax revenues, among others, from the GST and the tax on gas. But there is also the fact that oil companies are taking advantage of the situation to amass surpluses that we should simply condemn totally.

During the past month, on September 2, oil companies took in 46.4¢ a litre for refining. On September 3, 4 and 5, it was 39.3¢ a litre, while in 2000, the average for the year was 7.9¢ a litre.

Our problem does not come only from the fact that the government should help the people most in need. The Bloc Québécois is in favour of this. However, we must also be able to discipline the industry, which is taking advantage of the situation to amass surpluses because the price of crude oil has increased around the world.

In the last 30 days, the price of gas has increased by 26.1¢ a litre. This is what the industry has collected for refining, while, in one year, by collecting 7¢ a litre on average, it would make reasonable profits.

*S. O. 52*

Will my colleague agree that there should be a petroleum monitoring agency to be able to discipline the industry, which only cares for its shareholders and providing them with dividends every three months, instead of giving some to consumers?

[*English*]

**Mr. Michael Chong:** Madam Speaker, in short the answer is no simply because the empirical evidence, the facts, the studies done by the Competition Bureau, which I have read, do not point to the fact that there is widespread anti-competitive behaviour in these markets. Therefore, I do not agree with his party's suggestion on this matter.

● (2130)

**Mr. John Duncan (Vancouver Island North, CPC):** Madam Speaker, I am one of those people who was referred to by the member for Algoma—Manitoulin—Kapusking, the chair of the industry, natural resources, science and technology committee. We all sat through a long meeting on Thursday, with 25 witnesses, I think he said.

What is clear from this debate, the debate last Thursday and the posturing of the various political parties is, first and foremost, that the government is addicted to the tax revenues it receives, and on all fronts, but specifically when we talk about fuel, the government is addicted to those revenues.

Second, the Conservative Party of Canada is the only party in this place that is in favour of reducing the cost of fuel to the consumer or end user. If we take that as the pretext or context of all of the other positions that people have taken, they are either putting up a smokescreen or creating diversions or red herrings in order to avoid addressing that issue head on. This is really the issue that the consumer or end user is concerned about. The more diversions or obfuscations they can create, the more likely that their argument will be somehow saleable wherever they are trying to peddle it.

Those hearings last Thursday, if we put everything into the context of what I have just said, were very instructive indeed. With hurricane Rita bearing down on the gulf coast of the southern U.S., the government members on that committee contributed to the perception that we had a major price spike coming and helped create a panic at the gas pumps. All we have to do—

**An hon. member:** Oh, oh!

**Mr. John Duncan:** I am being told by government members that I should not overestimate the impact of the committee. I am not overestimating the impact of the committee. I talked to some members of the national media that day. It was testimony by Liberal members that led them to seek out single stations that were gouging across the country and blow that up into a bigger story. That is exactly what happened.

That led to all kinds of other dimensions, whereby when I left that committee meeting and drove into a west Ottawa neighbourhood, there was a lineup at the pump to buy fuel where I would rarely see cars at that time of night, fuel that was still selling for the same price 24 and 48 hours later. This was all, excuse the pun, pumped up by Liberal members with a personal agenda to try to avoid the real questions in their own backyards where they had problems, either with the truckers' strike in the case of New Brunswick or with some

other pressure point at home where they really did not want to deal with the issue the government could control, which is tax revenues.

So not only did these members contribute to the panic, but they attacked the refining sector, because they knew they could not attack crude oil prices. Those are set on a worldwide basis. They could not or did not want to attack the dealers and they did not want to attack the taxation issue. There was only one thing left, which was attacking the refiners.

Despite all of that, the ministers walked in here today and delivered an absolutely contradictory message: that the reason we do not have more refinery capacity is because they have not had enough return on investment and therefore the government has a responsibility there. I am not sure what its responsibility is, according to what they were saying.

● (2135)

I know what the government's responsibility is. We need some investor confidence in this country, which will come only when we have an energy framework, a framework that this government has not delivered in spite of the fact it has been promising one for a long time.

That is what happened in the bubble of Ottawa. Unfortunately, at home the tax burden is keeping people away from work in some cases in the resource manufacturing or transportation sectors because of high fuel prices. People, especially seniors and those on fixed incomes, are extremely concerned about what will happen this winter.

We all know what is in the ability of the government to most readily influence, what it can do right away, and the Conservative members have been putting forth that point of view for a long time. We put it forth again at committee. At each and every opportunity where we could talk about tax cuts that would make sense for Canadian fuel, we were attacked for taking that position. Whenever groups representing part of an industrial sector or a consumer group gave the same kind of testimony, they were aggressively attacked for their position by the Liberal members on that committee. It was at the point where we actually had denial; the Liberal members denied that if there were a tax cut it would ever show up at the pump.

We have examples in Canada in which we can compare province to province, or we can compare Canada to the U.S., where, if there is a lower taxation regime, guess what, there are lower fuel prices. We have the example of Poland. Last week, against the advice of the European Commission, it dropped the excise tax on fuel by the equivalent of about 10¢ Canadian per litre. That is already being reflected in large part at the pumps. Poland is doing the right things for its economy.

As we heard from the industrial sector, it makes a lot more sense from an economic standpoint to tax outputs rather than inputs. At the very time when our government is talking about trying to deal with the fact that our productivity is lagging, there is a double reason why it would make sense to reduce the tax load on fuels. Also, as people have mentioned here tonight, there are the irrational taxes that were based on a premise. For example, we had a 1.5¢ excise tax on consumer gasoline to help pay the deficit, which has now been paid for eight years. This was a tax installed by the Conservatives, which was supposed to stay in until the deficit was slain. The deficit was slain eight years ago but the tax is still there.

Also to address the deficit, a 4¢ per litre excise tax was put on aviation fuel. It is still there. Over the last eight years, that tax has collected over \$300 million. That tax is money taken directly out of the aviation sector, a sector that has had nothing but grief over the last eight years and could have very well used that money to good purpose, for a purpose a lot better than any single thing I could imagine it was actually put to use for by the government.

● (2140)

The other ogre that was brought up was about this 5¢ per litre going to the municipalities. I will wrap up in one sentence. It is 1.5¢. It is not statutorily enabled past this next year, which is still at the 1.5¢ level, and all of the rest of it is simply Liberal policy that may or may not come to pass.

What is it all about anyway? The provinces spend over 100% of their fuel revenues on roads, so what is the big deal about the federal government spending maybe 50% of fuel excise taxes, never mind the GST, on roads and infrastructure?

**Mr. Gord Brown (Leeds—Grenville, CPC):** Madam Speaker, as we come back to start this session it is fitting that we are having this take note debate this evening, because this is now probably the most burning issue on Canadians' minds. In my riding of Leeds—Grenville, we have farmers who are now taking crops off the fields. Of course my area is so dependent upon tourism and also on manufacturing and shipping goods out to the United States. All of these areas are impacted.

I have a question for the hon. member for Vancouver Island North. Why does he think the government is so addicted to these taxes and is not forthcoming enough to be able to cut the taxes, to axe the tax on the tax?

We were hearing about the possibility of some help for low income earners this winter for home heating oil. I also spoke to some firefighters this summer who were concerned about what impact prices may well have in terms of safety, with the possibility of people attempting to use alternatives to heat their homes.

Why is the government so addicted to these taxes? Why does the hon. member think that the government will not come forward, axe the tax on the tax and give consumers a break before this economy does go into the tank?

**Mr. John Duncan:** Madam Speaker, that question is a good question. It is one all taxpayers in this country should be asking themselves, because it is not just on this fuel tax issue where we seem to get taxed beyond the necessity to run an effective central government. We now have a government that is spending money on

an awful lot of what people would call boutique programs or programs that could very well be better and more efficiently run at a different level of government.

This is all about a government that is happy to take our money in ways that it thinks we will not notice in order to try to spend it on us in ways that it hopes we will notice and give it credit for. It is all about optics and appearance. The Liberals actually think that people do not really notice this money being taken from them at the pumps, for example. That is all the wrong kind of logic to use if one is legitimately interested in running the country based on principle rather than politics and opportunism.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I followed the reasoning of the hon. member who explained that the federal government takes in more taxes than it needs, for example with the GST. I would like him to apply the same reasoning to the huge profits the oil companies make in the circumstances. That is a world problem. Indeed, when the price of oil increases rapidly, oil companies make indecent profits on refining.

I will ask the Conservative member the question I asked earlier today. In the last 30 days, the average amount oil companies cashed for refining is 26.1 cents a litre. Over the Labour Day weekend, the price per litre was 46.4 cents on September 2 and 39.3 cents on September 3, 4 and 5. In the last 30 days alone, oil companies made profits of \$1.4 billion, which is \$800 million more than on the same days last year.

I would ask my colleague to use the same reasoning. I agree with the government using part of its revenues to help those most in need. However, oil companies must be brought to heel so they stop making indecent profits on the back of taxpayers. For 30 days, they overcharged between 20¢ and 35¢ a litre for their refining profit margin.

Would the hon. member agree with me that we must create a petroleum monitoring agency to bring them to heel once and for all?

● (2145)

[English]

**Mr. John Duncan:** Madam Speaker, I have no objection to some form of petroleum monitoring agency. The November 2003 committee report recommended that the Competition Bureau be given a lot more resources to do this kind of thing, rather than set up a different bureaucracy. Perhaps we can do both. This is probably something that will have to occur.

Our refining capacity is so constrained and so tight that we are going to be subject to these kinds of problems every time there is a catastrophe, unless we can increase the supply. Increasing supply has a lot to do with the government as well.

**Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Madam Speaker, I am sharing my time with the member for Laval—Les Îles.

*S. O. 52*

It is a pleasure for me to take part in the debate on the rapid increase in the price of gasoline and fuel costs. The price of gasoline has reached some high levels and the forecasts for the future also show little chance for too much relief.

There have been calls for all levels of government to ease gas prices by cutting their taxes, freeing up reserves, offering rebates, perhaps targeting rebates and so on. The fact is, and we have heard this over and over again tonight, that the federal excise tax on gasoline is calculated per litre. We have also heard that the 10% remains whether it is 80¢ or \$1.80 per litre. The GST floats, but I believe very strongly, and I am reassured even again tonight, that it would be better to return some of the GST to communities rather than to the petroleum companies.

I hope that all parties involved, the federal and provincial governments, oil and energy industries, and consumer groups have more discussions and take some action on how we can better manage our energy resources.

I recognize that pump prices are a reflection of international conditions over which we have little or no control, especially when it comes to hurricanes and natural disasters. Embargoes or wars in oil producing countries have also resulted in higher energy prices. This has the potential of bringing our economy to a standstill. I believe that by working together and having some good discussions we can make some inroads. With winter approaching, every family could be further strained with gas prices and fuel costs. Eventually consumer goods and food will be impacted because all of these items are normally transported from point to point and as a result costs will go up.

I believe strongly that the plight of low income earners and seniors, especially those on fixed incomes this winter, must be a particular concern to all of us in the House. I understand there have been some increases already in Ontario with respect to the cost of natural gas. The increases this winter will cause a lot of hardship and will cause people to make decisions on where to spend their money. I was glad to hear the minister talk about work being done in this area. Hopefully in the coming weeks something will happen.

As mentioned tonight by the member for Algoma—Manitoulin—Kapusksing, I was the chair of the industry committee in the fall of 2003. The committee recommended that we should have an independent petroleum monitoring information agency for the collection of information and the dissemination of gasoline prices.

Some of the debate tonight was about facts and questioned whether this was right or that was right. We need to have an agency that would provide that data. We need to make sure that we can trust the data we have in total. I know that Natural Resources Canada and Industry Canada have done some work on this, but I still believe that the government should set up a petroleum monitoring agency.

As we said in our report, it would be for three years and would ensure Canadians that they would receive information and that it would not be affected by any petroleum companies or other interference. It would be information that Canadians could believe and understand. The minister has said that he is still open to that so hopefully as a result of tonight's debate there will be some action on this.

When I filled up for gas on September 13, for example, in St. Catharines the cost per litre was \$1.31 while the cost per litre in Grimsby, just several miles down the road, was \$1.09. To the best of my knowledge the federal and provincial taxes in Grimsby and St. Catharines are the same. They are both located in the Niagara region in the same province of Ontario in our country of Canada. This is plain and simple gouging. I heard tonight that it is called panic marketing. That is something new.

• (2150)

I had a letter from one of my constituents, Sherri Hackwell of 339 Geneva Street, who asked me about the 10¢ differential between Grimsby, Beamsville and Stoney Creek and St. Catharines and the fact that neighbouring communities had different prices although the taxes pretty well remained the same. The only answer was gouging by those companies. I would hope that message has been heard loud and clear.

I would like to look at another debate and more debate from the standpoint of the complete energy situation. Should we still be in the world marketing scheme? Should we have a north-south marketing scheme? What other message should be applied for the long run? How much work do we need to do on energy conservation?

I was pleased to hear the acting minister speak to this today and give a few examples. We should know our usages per capita, by province and by region, to learn from others and how we are cutting down on the use of our energy.

I will give an example. On taxicab regulations, we can take a cab from the airport to downtown Ottawa, but that cab driver cannot take someone back to the airport, so his cab goes back empty, and vice versa.

I am sure there are many other ideas that Canadians have to save on energy. Perhaps that would help in the supply and demand and would bring the costs down. We need to be thinking outside the box a little bit.

I would hope that we would be encouraged to have more debate in the House along this line.

As a member of Parliament representing an urban and industrial riding in Ontario, St. Catharines, I recognize the need for swift action. I believe that the government will have some short term answers. However all members of the House, rather than getting into a lot of political rhetoric, should talk about how we can conserve energy, how we can better serve our country through having less demand on our energy and using our energy wisely.

I hope that we can continue on with this debate. I really enjoyed some of the comments tonight when we talked about the real things on how we can save our constituents' and Canadians' money.

S. O. 52

• (2155)

**Mr. James Bezan (Selkirk—Interlake, CPC):** Madam Speaker, I am glad that we are having this important debate. This definitely is the issue that has rocked Canada over this past summer. All of our constituency offices had had our phones ringing off the wall and our phones at home are ringing with people concerned about the rising fuel costs. We are hearing a lot about future possibilities but people want relief right now.

I represent a rural riding. Contrary to what the hon. member over there was saying about his urban industrial area, there is no doubt that the people who are feeling the pinch the hardest right now are rural Canadians. People in rural ridings have the farthest to travel to get to work and to school. Our school boards are now dealing with a huge increase in costs to run their buses in rural ridings. In some cases it is adding on over \$50,000 to their operating budget which they did not budget for and which they do not have. They cannot go back this year to the municipalities and ask for more money and to increase the mill rate retrospectively. They have to deal with the problems right now. Rural Canadians, such as the farmers and the truckers, are the ones who are really taking the hit here. There is a cumulative effect here that all comes down to the consumer and we have to offer some relief right now.

We have the GST which is excessive right now. We are only talking about a few pennies a litre right now but that type of relief put back into the economy and into the people's hands would have a lot more benefit.

The one thing that we have always adhered to as kind of a policy in government is that we should not be taxing food production. Most provinces already recognize that when we are producing food the provincial excise taxes are exempt from that fuel. It is time that we started considering maybe doing that at the federal level for people who use farm fuels because we do not want our food to have that excessive tax built into it.

I would like to hear some of these types of comments coming out tonight, something that we can do immediately as government, to offer some relief to industry, to farmers, to rural Canadians and to consumers so that the cumulative effect is negated as much as possible.

There is no doubt that this is a world market price spike that we are seeing. As somebody who is in farming and who has been in business, sometimes we get to enjoy those price spikes as well but there are also downturns in industry. There is no doubt that the oil and gas sector has gone through downturns as well. It was not that long ago that the price was selling at below cost production when it was sitting around 45¢ to 50¢ a litre.

Even though things are up, let us talk about some real advantages. Tax rebates to low income and fixed income Canadians with huge heating bills this winter is another way that we can deal with it. Let us talk about what we can do as government right now and that is in how we design our taxation and those policies for Canadians. That is the type of information I think Canadians want to hear coming from this place.

**Hon. Walt Lastewka:** Madam Speaker, I appreciate the member's comments concerning rural areas. I happen to live in the rural area of the city of St. Catharines. I would ask him to please understand that

in communities like mine many people drive an hour to an hour and 20 minutes every day to go to work because of jobs in other areas depending on the various fields. The people in my riding are not any different than people in total rural areas.

I understand the comments by the minister about having some short relief and that it requires some time and some work with the cabinet and the minister. He has only been in the job for seven hours, or I guess a little longer now that it is almost 10 o'clock, but I would hope that following his comments there will be work done in that area.

However I also strongly believe that we need to talk about those things that can conserve energy. We do this only when there is a crisis it seems but we should be doing it more often. I would hope that the chairman of the industry committee would take on that responsibility. I have had some discussions with him that we should continue on these discussions on how we use our energy and how we can conserve our energy. I will go through the blues for tonight to see how much time we spent on badgering on data rather than on ideas on how we should move forward.

I believe strongly that all the members in this House, government and opposition, working together should be able to come up with ideas from their ridings on how we could still make energy efficient improvements for our country.

It is a known fact that we North Americans drive a lot, we depend on our cars a lot and we do a lot as far as moving around. We need to take a look at ourselves to see how we can do that more effectively.

• (2200)

[Translation]

**Ms. Raymonde Folco (Laval—Les Îles, Lib.):** Madam Speaker, I would like to reiterate what others have said about this government's concern with the recent hike in oil prices.

Hurricanes Katrina and Rita have caused a drastic drop in crude oil production and refining; as a result, crude oil prices have been fluctuating greatly.

I should also repeat something all hon. members know: oil is not just any commodity for Canadians, or anyone around the world for that matter, because its derivatives are at the heart of our global economy.

We have all witnessed, many of us as participants, the long lines of cars waiting to fill up at gas stations when there is rumour of a new price increase at the pump. As uncertainty grows so does the demand, and the result is always the same: further increases, and I might say insane increases, in prices.

[English]

Unfortunately, the rise in gas prices goes well beyond the hit on the pocketbook that consumers feel at the pumps. As a net exporter of petroleum, Canada has seen its currency rise along with the price of oil, giving us the distinction and challenge of having what many financial analysts rightly or wrongly are calling the petrol loonie. This in turn is creating pressure on our export sector as the price of Canadian goods and services rises in foreign markets.

*S. O. 52*

[*Translation*]

To make matters worse, oil and its derivatives are the lifeblood of Canada's manufacturing economy, chemical and pharmaceutical industries, which increases their costs, reduces their profit margins and heightens competitive pressures.

[*English*]

Even at the level of national unity and federal-provincial fiscal arrangements, the recent rapid run up in the price of oil has created, as many of my colleagues have said, tensions between the provinces, those of them that are geologically blessed with oil wells and those without who feel that all Canadians should benefit from these national resources.

[*Translation*]

In fact, no Canadian can escape the pinch of rising crude oil prices.

[*English*]

These are challenges with which all governments in every part of the world must come to grips, not just the Canadian government. However what concerns us here tonight is what the Canadian government must do to help the Canadian consumer.

One bright spot is that, if anything, in the global context of oil market and stability, Canadians are fortunate, believe it or not, to be living in a country that is a net exporter of these valuable commodities and that has some of the lowest gasoline taxes as compared with its major industrialized competitors. We only have to go to Europe to see what the price of petrol is, as they call it over there.

Much attention has also been directed to the role that taxation plays with respect to influencing the retail price of fuel. Accordingly, I would like to take this opportunity to speak for a few minutes to the federal taxation of fuels, namely gasoline and diesel fuels.

If we carefully examine the federal taxation we know that this shows clearly that a recent price increase is a result of the high cost of crude oil on global markets exasperated by disruptions to the petroleum supply chain as a result of the devastating hurricanes in the southern United States.

The federal taxation of fuels consists of two elements. The first is the federal excise taxes that are levied at a fixed rate and the second is the goods and services tax that applies generally to most goods and services in Canada and this includes fuels.

I would like to spend a few minutes on the federal excise tax and then, if time allows, on the goods and services tax.

The federal government levies excise taxes on gasoline, aviation gasoline, diesel and aviation fuel. It is worth noting that there are no federal excise taxes applicable to other kinds of fuel, such as home heating oil, propane, natural gas or electricity.

The federal excise tax on gasoline and aviation gasoline is levied at the rate of 10¢ per litre, while the federal excise tax on diesel and aviation fuel is imposed at the rate of 4¢ per litre.

Federal excise taxes are fixed amounts that do not vary with changes in the retail prices of fuel. This means that revenues from

federal excise taxes are a function of the volume of fuel that is sold but not of the retail price.

Accordingly, the recent increases in retail prices for gasoline and diesel fuel do not have any positive impact or any impact on federal excise tax revenues. In fact, to the extent that higher pump prices cause motorists to drive less and reduce their consumption of fuels, federal excise tax revenues could actually decline.

I would like to also note that the excise tax on gasoline has been levied at the same rate since 1995, 10 years ago, while the excise tax on diesel fuel has been unchanged since 1987.

With respect to revenue, the federal excise tax on gasoline raised about \$4 billion in revenues during the fiscal year ending March 31 last year. The excise tax on diesel fuel raised about \$900 million, while the levy on aviation gasoline and aviation fuel contributed \$80 million over the same period.

All federal excise tax revenues from fuel go to the consolidated revenue fund where they are used to support a wide range of programs that are valued by Canadians, including health care, education and programs for seniors. Contrary to what some of the colleagues across the floor have said, this is not a matter of just simply raising taxes in order to hide the money from the consumer.

What these taxes do in fact is that they are returned to the Canadian public in the form of help on health care, on higher education, on immigration and so on. These taxes do not disappear. They go back to the Canadian public.

In fact, in the budget 2005 the government delivered on its commitment to share with cities and communities a portion of the revenue from the federal excise tax on gasoline to support environmentally sustainable infrastructure.

● (2205)

Beginning in 2005-06, funding for this initiative will ramp up every five years for a total of \$5 billion. By 2009-10 funding will amount to \$2 billion per year, the equivalent revenue of 5¢ of federal excise tax on gasoline, fully one-half of federal gas tax revenues. That is only one example of where this money goes.

With respect to the environment, in recognition of the fact that renewable fuels offer a number of important benefits, excise tax relief has been provided since 1992. Another of my colleagues referred to this a little earlier, the portion of blended gasoline that is ethanol or methanol produced from renewable sources such as biomass. In budget 2003 excise tax relief for renewable fuels was extended to include the ethanol or methanol portion of blended diesel fuel as well as biodiesel fuel.

This concludes my overview of the federal excise taxation of fuel, but I would like to say a few words about the goods and services tax. This is levied on most goods and services in Canada, including motor and home heating fuels at a rate of 7% of the final selling price. This is where it hurts. This maintains a broad base which allows the GST to be levied at a relatively low rate and makes compliance with the tax much easier for businesses. Remember that when the GST was first introduced in the House, businesses, particularly small and medium size businesses, had a great deal of trouble keeping track of what they were levying on the customer and this particular system allows them to find their way through the system much more easily.

One of the key features of the GST is that businesses are able to claim input tax credits in respect of the GST they incur when purchasing goods and services that are used to make taxable supplies. This means that most businesses are able to claim full refunds in respect of the GST they pay on their purchases of petroleum products, including gasoline and diesel fuel. For individual consumers the GST low income credit is designed to help offset the impact of the GST to those most in need.

I know I will not be able to go further in what I had prepared to say about the GST, but let me say this in conclusion.

• (2210)

[*Translation*]

This is a difficult situation. That is why, this evening, on our first day back in Parliament, we saw fit to discuss and debate this issue that is important to all Canadians, whether they are private customers or company customers. Those who depend on their vehicles for work are feeling the pinch even more.

Members on both sides of this House are looking for a balanced approach that would relieve the pinch on Canadians while at the same time allowing the Government of Canada to deliver on the promise of assistance previously made to the municipalities. There are great needs there.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, it is a pleasure for me to put questions to my Liberal colleague from Laval—Les Îles for the simple reason that it is clear in everyone's mind that there are four factors affecting gas price at the pumps: crude oil price, refining cost, profit margin and taxes.

Everyone in the House knows that retailers cannot be asked to contribute more, since their profit margin is only 2¢ or 3¢ per litre. The price of crude oil depends on the market. We are aware of that. We, in the House of Commons, can have an influence on the two other factors: refining cost and taxes.

Regarding GST, there is certainly a price increase, therefore an increase in federal government revenues. As suggested by the Bloc Québécois, the government should think about giving back the money as tax credits to the most needy in our society. We all agree on this. However, the problem is that we disagree about the means. The government is dragging its feet as much as possible to save money. In the end, citizens who need it the most are not receiving anything.

*S. O. 52*

The second factor is refining cost, which we find totally intolerable and unacceptable. Since 2003, the Standing Committee on Industry, Natural Resources, Sciences and Technology has been saying that we need a monitoring agency. I quoted the numbers earlier.

In the last 30 days, oil companies cashed profits of 26.1¢ a litre on refining when we know that profits of 7¢ are considered reasonable by the industry itself. That means that in the last 30 days, they made \$800 million more than for the same period last year. If the government continues to procrastinate and wait—even at today's price, which is reasonable—oil companies will cash \$40 million a week over what they made last year.

That is why the Bloc requested an emergency debate. We ask the government to create a monitoring agency to bring the industry to heel. It is that simple. Oil companies are making profits on the back of taxpayers.

Today, we in the Bloc say that that must end. It is necessary that refining profits remain at a reasonable level of about 7¢ a litre. If that had been the case in the last 30 days, citizens would have saved between 20¢ and 35¢ a litre. Money would have remained in their pockets instead of going into those of the oil companies.

That is why we are asking the government to create the agency. Of course, we are also asking the government to use tax measures, for example, tax credits, to give money to the taxpayers who need it most as a means of compensating them for their losses in the last weeks.

• (2215)

**Ms. Raymonde Folco:** Madam Speaker, we all agree here in Canada that competition is important, for companies first, and also for customers. Competition is indeed what keeps the prices at their lowest levels. That is something that all Canadians understand, except perhaps for a few mean-spirited people.

I would have a suggestion for the member opposite regarding a Competition Bureau. We would have to amend the Competition Act. I think that it is something that we could do. We could also encourage the oil companies, or force them, to ask for this amendment to the legislation.

[*English*]

**Mrs. Lynne Yelich (Blackstrap, CPC):** Madam Speaker, the member suggests that tax rebates can help with some of the costs. She has made suggestions that for people driving to work, there are ways to conserve. I would like her to put herself in the position of the agriculture sector right now, where farmers need to have fuel to run their equipment for 8, 10 or 12 hours. They do not have an option of parking their machines and hoping the crop gets off. Right now a lot of the crops are under duress with some of the weather factors that have hit us. We have had a lot of rain and therefore the quality of the crops has gone down, so we are looking at declining prices. We have just come from some serious years of trade issues and problems, and now we are looking at crops that are going down in quality and price.

*S. O. 52*

We need fuel to run our equipment. That is how we put the crops in and that is how we take them out. I wonder what we can suggest to help the farming industry that depends on fuel. We do not have options. We do not have biodiesel. The GST rebate does us no good if we cannot get the crops off to pay the fuel. It is getting quite serious. In fact, crime has gone up considerably because people are getting quite desperate. I would like the member to comment.

[*Translation*]

**Ms. Raymonde Folco:** Madam Speaker, first of all, it is true that farmers are badly affected by gasoline prices. There are two factors here. The first one was presented earlier by one of my colleagues. The prices also fluctuate within a province or even within a community. This depends on the seller who sometimes takes a profit. We have to make sure that the prices remain at the lowest possible level throughout a region.

As for GST, of course the farmers receive the GST at the end of their fiscal year. This is a serious problem because they do not get it now. It is something they will only get at the end of their fiscal year. I think that some sort of agreements should be made, particularly with the provincial government, to help them get through this year.

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ) :** Madam Speaker, first I should tell you that I will be splitting my time with the hon. member for Jonquière—Alma.

The main issue in this emergency debate on the price of oil is: Why is this government not taking action, considering the urgency and magnitude of the situation? After all, oil prices have doubled over the past six months.

Earlier, the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup explained the situation very well. He found the right words to discuss the oil price increase. He explained very clearly that the price of gasoline is the result of the addition of four factors, namely the price of crude oil, the refining cost, taxes and the retailer's margin. He also explained that the concentration of refining activities during the 1990's resulted in a price increase. We now know that, on average, refining plants are operating at 95% of their capacity.

The hon. member for Mégantic—L'Érable and the hon. member for Argenteuil—Papineau—Mirabel both made remarkable presentations on the profit increase enjoyed by oil companies.

This is worth repeating: in 2004, the after-tax profits of the five major oil companies in Quebec and Ontario, namely Petro-Canada, Shell, Husky, Suncor and Esso, totalled \$7.2 billion. According to Bloomberg, these profits should be close to \$9 billion this year.

Since 2002, the net profits of oil companies have increased by over 100%. Oil companies are increasingly richer, at the expense of consumers, small businesses, cab drivers, independent truckers, logging companies and agricultural businesses. This is sort of a diversion of wealth.

Of course, there is a geographical component that comes into play, including recent natural disasters such as Hurricane Katrina. However, oil companies took advantage of the situation to put even more money into their pockets. Someone said very appropriately that they are white collar looters.

This government is not doing anything. Why? We do not know. It refuses to see the situation.

However, the people in my riding of Saint-Bruno—Saint-Hubert are well aware that the price of gasoline is increasing, and this is nothing new. They have known this for ages. Long ago, they realized that the price of gas went up on Friday evening and went down on Monday evening. Likewise, this is not the first year that they have noticed that the Friday before the mid-July vacation in the construction industry, the price increased and, when everyone went back to work, the price went back down. They do not need big theories, explanations or analyses in order to see this.

My colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup did a realistic analysis of the situation, as I said earlier, and an excellent job of presenting the Bloc Québécois' action plan. This action plan is a excellent initiative by the Bloc. We were very insistent about meeting with the oil companies, which the Standing Committee on Industry, Natural Resources, Science and Technology did last week.

We presented an extremely well structured, intelligent action plan based on common sense and that answers a number of aspects of a problem with multiple origins.

What was this government's response? It said nothing. In fact, it said that something could be done. It started to timidly consider a few little things, as we heard earlier during the presentation by the Minister of Industry. He said that perhaps something could be done for tax credits or the Competition Bureau could have oversight. However, these little things have not been fleshed out. We do not know the details. When? What is the timeline? How many? How? There are a number of questions that have yet to be answered.

The Bloc's action plan is very detailed and very well structured. I want to give a quick overview.

First, we want to give consumers some respite and create a refundable tax credit that would minimize the impact of the high price of gasoline. We want to encourage people to move away from fuel oil and implement a tax credit for public transit, which corresponds to the bill introduced here in the House by our colleague from Longueuil—Pierre-Boucher.

• (2220)

What we also want—and my colleague from Jonquière—Alma will also speak on this—is to help the people in the outlying regions, to expand the coverage of the \$3.75 daily fiscal deduction, up to 10% of income, already available to regions that are at a very great distance from major centres. It would be a very good thing if this government were to heed us and implement some of these measures.

There are others. We want to help the economic sectors that have been affected, particularly the taxi drivers or cab owners. Independent truckers, farmers and forest industries are all heavily impacted by the rising oil prices and need to be helped.

The industry needs disciplining as well. It makes no sense. As my colleague from Argenteuil—Papineau—Mirabel has just said, the oil companies are lining their pockets thanks to the profit margin in refining. An oil sector monitoring body needs to be created.

It is my sincere belief that giving new powers to the Competition Bureau will be insufficient. Of course the Competition Act needs strengthening, resources need redistributing, \$500 million need to be added to the taxes on oil companies in order to fund these assistance measures and reduce our dependency on petroleum products.

We must admit that we have all become keenly aware of the environment in the present circumstances. We are, of course, attuned to the use of oil products. We try not to use too much of course, but we also each in our own way are trying to find individual solutions to the collective problem of our environment and asking ourselves how we can each do our own little bit toward reducing our oil dependency.

There may be something the government could do to help consumers find solutions: encourage the building and purchase of vehicles that consume less fuel. That would be an excellent solution.

Why does this government not recognize the seriousness of the problem and why does it not try to find some solutions? Why is this government holding on to its position and insisting on doing nothing?

The member for Burnaby—New Westminster has already described the situation as incomprehensible. I do not think that is the case. In fact, I think there is indeed a reason for it all. I have some trouble formulating that reason, however, because this is a sad situation I want to see changed. This government is more attuned to the greed of the major oil companies than to the real financial difficulties being experienced by consumers and small business. If there is anything that needs to be changed, that is it.

• (2225)

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I would first like to congratulate my colleague for her excellent speech. She described the problems quite well.

My question will be simple. The Liberal Minister of Transport told us on August 26 that the federal government could not do anything. In the comments that my colleague just made, there are many solutions that the Bloc Québécois is proposing to the government. I would like her to take the opportunity, once again, to share her thoughts about the situation. Indeed, the situation is totally unacceptable.

Today, the Bloc Québécois, on the first day of the resumption of the House, called for an emergency debate that was agreed on by the other parties. We want to thank them for that. The situation is intolerable. The Liberal Minister of Transport said on August 26 that the government could not do anything. Today, my colleague gave

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some examples and I will ask her to continue to do so. I congratulate her once again for her excellent speech.

**Mrs. Carole Lavallée:** Madam Speaker, I thank my hon. colleague from Argenteuil—Papineau—Mirabel for his excellent question.

On August 26, the Minister of Transport said there was no solution to this problem. But in the light of tonight's emergency debate and the action plan put forward by the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, we can see that there are solutions, such as offering consumers some respite; providing assistance to those living in remote areas; supporting the affected economic sectors; disciplining the industry; redistributing wealth and reducing our dependency on oil. These are objectives that can be achieved with concrete measures.

In addition, this emergency debate requested today by my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup has seen some government members open up somewhat. The Competition Bureau was mentioned, perhaps with new powers. It was also suggested that a modest tax credit or other incentive be provided to those who convert from oil heat. The hon. member for St. Catharines commented that this was a great opportunity to ask the right questions about how to protect our environment and use our energy. Finally, the hon. member for Laval—Les Îles, on the government side, agreed that it might be a good idea to perhaps consider some tax credits.

As you can see, Madam Speaker, where there is will there is a way. Where there is a political will, things can be achieved.

Earlier, my conclusion was very sad. I cannot think of a better word than sad, or unfortunate. It is indeed sad to think that this government is more sensitive to the greed of the big oil companies than it is to the needs and financial difficulties of consumers. Let us hope that we can get things moving with a debate like this one, another debate requested by the Bloc Québécois.

• (2230)

[*English*]

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Madam Speaker, I too would like to thank the member for her positive contributions.

Just to outline the Liberal philosophy in the energy crisis, it is to work on both the supply side and the demand side. That is why we have had a number of programs on the supply side. If there is not enough oil and natural gas with prices going up we have invested heavily in new renewables, wind energy, solar energy, ethanol, and a great deal of research in different ways so that we can get off fossil fuels, not just because of crises like this, but also because of the effect that fossil fuels have on greenhouse gases.

We also think we should work on the demand side so that we can reduce demand and use automobiles less. We have helped thousands of Canadians through contributions to energy efficient homes. We have one of the most modern auto emission voluntary reduction packages in the world.

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As the member mentioned, I have been lobbying for changes to the Competition Act to make it even more effective. We have many tools in place.

The Bloc in this debate has suggested an interesting tool to which I am not opposed. I was on the industry committee when we discussed it. That is a body that would give out information and monitor the prices and make sure the public knew all the details of this complex industry at the various levels where things occur.

I wonder if the member could elaborate in detail on the Bloc's proposal for this agency, on some of the benefits this agency could provide to make sure that we get fair prices at the pumps for consumers, especially for those who are most in need.

[*Translation*]

**The Acting Speaker (Hon. Jean Augustine):** Since there is very little time left, the member for Saint-Bruno—Saint-Hubert should give a very brief answer.

**Mrs. Carole Lavallée:** Madam Speaker, I will be pleased to answer my colleague at another time, since I do not have the time now to do it. However, a monitoring agency is very much needed.

**Mr. Sébastien Gagnon (Jonquière—Alma, BQ):** Madam Speaker, firstly, I would like to commend my colleague, the member for Saint-Bruno—Saint-Hubert, for her speech and explanations concerning the plan proposed by the Bloc Québécois.

Let me also commend another colleague who has worked very hard during the summer and who has invited the Standing Committee on Industry, Natural Resources, Science and Technology to sit even before the beginning of this session. I am talking about the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

Let me also explain or participate in this debate from an angle corresponding to the file in which I represent the Bloc Québécois interests, that is regional development.

In the past five years, certainly for the past three years that I have been in this House, major crisis have directly affected the economy of the regions of Quebec.

There was the softwood lumber crisis which is still on right now. In my region, between 3,000 and 5,000 jobs were affected, which is enormous for a region like mine.

There was also the mad cow crisis. We are still feeling its consequences all over, especially the farmers and dairy producers. They are still waiting for the money from Ottawa.

We also had plant closures, and this is important. As we know, in the context of globalization, many businesses will produce twice as much while providing only half as many jobs. They will often choose to export their expertise to other major international centres, which will result in plant closures and job losses.

I think we all agree that we do not need other labour disputes in the Saguenay—Lac-Saint-Jean region or, at least, other catastrophes. Yet, our region was dealt another blow in recent months with the gasoline price increase.

I could go on and on. If I may though, I would like to mention a few concrete examples to show how my community is affected. The

fact that my region is located far from the large urban centres means that this gasoline price increase has a negative impact on all consumer products.

I would like to mention a personal example. In addition to the gasoline that I buy for my car, I purchased a consumer product not long ago, because I wanted to switch from oil to wood to heat my house. What really took the cake is that I had to shell out an additional \$200 in transportation costs compared to what people living in large urban centres have to pay. So, it is costing me \$200 more to switch from one heating technology to another, but this is because of the gasoline price and transportation costs.

If I, as a member of Parliament, experienced this, so do all Quebeckers.

Some solutions are being proposed here by my Bloc Québécois colleagues and myself, and I am urging the government to listen carefully. It must pay attention to these solutions. We did our homework this summer and, contrary to the government, we did propose an action plan with concrete measures. If the government does not have the courage to come up with something, then it should listen to our plan, it should recognize our needs and then it should take appropriate action.

Of course, we are proposing, in the case of those who are directly affected—these are often low income earners, but they also include all consumers—refundable tax credits of \$250 per person to alleviate the impact of the price increase for oil products.

Measures could be proposed—that is what we are doing—to compensate car owners. Although some individuals cannot consider alternative means of transportation—as is the case in small villages in my community where there is no public transit—there needs to be measures to encourage them to decrease their dependence on oil, and to consider using hybrid cars, for example, or other technologies. We must encourage the purchase of less energy consuming vehicles.

Earlier, I mentioned consumers who have been affected when it comes to fuel oil. This point is important. We know that regions in Quebec that are somewhat remote record very drastic temperatures. The thermometer can dip to 30 and 35 degrees below zero. It can get even colder if you factor in wind chill.

We cannot hesitate. We need effective measures because there is a risk. I want all hon. members to be aware of this situation. For example, when individuals who heat with oil are faced with astronomical costs, they still have to heat their homes, even if they do not have the means to do so.

● (2235)

My fear is that they will use alternative makeshift means. This is not rocket science. We saw this happen during the ice storm in Montreal a few years ago. People used makeshift propane systems and other alternative means. That is why we need an aid plan and ways to help these people and protect their health and safety.

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I also want to draw your attention to a case. It is the case of a nice family business. My own father worked there a number of years ago. I have the utmost respect for this company. Recently, it had to stop some of its fruit and vegetable delivery service in the community because it could no longer compete with the larger centres. Why? Because of the increase in the price of gas.

We cannot ignore these situations, especially since they lead to the loss of jobs. For small communities like Métabetchouan with its 4,000 inhabitants, the loss of four or five jobs is a big deal.

There is also a way to help the remote areas. The government is already doing it with the very remote areas where it provides a tax deduction of \$3.75 a day, up to 10% of income. What I am proposing to the government today is to extend this measure to all the regions, the Saguenay—Lac-Saint-Jean, the Abitibi or the North Shore. These regions are directly affected by transportation costs.

Other economic sectors have also been affected. I was talking earlier about the softwood lumber crisis. And let's not forget the mad cow crisis. The farmers are already having a difficult time. Can we try to give them tangible help? They must use their farm machinery to extract resources and their income from the land. They need our help now.

The softwood lumber crisis affected the forest industries and cost some 3,500 jobs in my region. Close to 5,000 jobs were affected. The EI gap creates major havoc in my region. Can we try to find ways to help the forest industries?

In closing, I would like to congratulate some people back home, of whom I am very proud. They have been manning the stockade and demonstrating against the rise in gas prices for quite some time now. The man leading this group is Mr. Claude Girard, an accomplished volunteer. In fact, along with his executive board, he is preparing a demonstration for this Thursday. The event will take place in front of the Jonquière Tax Data Centre in order to send a clear message to this government, which has not lifted a finger yet. What Mr. Girard wants is to motivate the government to take action. For regions like ours and all across Quebec, this crisis has had major and profound impacts.

This is a national movement. We know that national union representatives will be demonstrating at our side. There will be people from UPA and independent truckers. I am inviting the public to take part in this peaceful demonstration in order to send a clear message to this government, which did not do anything but which has a duty and a responsibility to act. The only thing the government lacks is political will and courage.

• (2240)

[English]

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, perhaps the member was not here when I outlined the many steps the government has taken on both the supply side and the demand side to deal with energy shortages.

I have two questions for him about solutions. At the end of his speech he mentioned a group that is having a demonstration. Are the solutions the group proposes the same as the Bloc solution, the monitoring agency, or is that group proposing other solutions?

My second question is with respect to the tax credit. I just want to make sure that I have all the details. To whom does the tax credit apply? Is everyone eligible for that credit? Being non-refundable, would someone who does not have an income get a rebate of that credit? I just want to understand more of the details.

[Translation]

**Mr. Sébastien Gagnon:** Mr. Speaker, let me start by pointing out to my colleague the concerns of the Association pour la protection des consommateurs de carburant, which is responsible for this movement in Saguenay—Lac-St-Jean.

At the Standing Committee on Industry, Natural Resources, Science and Technology, the Bloc Québécois recommended the creation of a petroleum monitoring agency among other things. The members of the committee totally support that.

Earlier, my colleague was asked how this could be done and what our vision was. Perhaps I could enlighten the hon. member by summarizing the role that this office could play.

It could collect and release data on refined petroleum product prices in the American black market; publish an annual report to inform the public about the competitive aspects; assign witnesses and ensure their confidentiality; study every aspect of the petroleum industry; suggest solutions to put the petroleum product sector in order. The consumer protection coalition brings an interesting dimension that the Bloc Québécois has also explored.

Currently, concrete measures are needed, because there is a crisis. People feel its immediate impact. We have no choice but to react. However, we ought not always to be in reaction mode. Instead, we must look to the future. We need to try and sever dependency links or, at the very least, to stop having our hands tied when it comes to the oil sector. We have to propose alternative solutions, which would allow us, for example, to switch from fuel oil to other energy sources for heating, and to vehicles that only use fuel.

I was mentioning earlier that I am from a remote region. A lot of people there use utility vehicles, large pickups and big trucks. We should develop incentives for those people to move away from their 4 x 4s and try and find other solutions, taking into account the characteristics of the area.

The coalition hopes for long-term measures. I think it is up to all parliamentarians to ponder those issues, in particular in the Standing Committee on Industry, Natural Resources, Science and Technology, and to propose solutions in cooperation with all parliamentarians. At the present time, the need is urgent, hence the idea to propose certain measures so as to mitigate immediate effects.

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We want to see a tax credit going directly to the consumer, as that seeks to offset the effects of higher oil prices for households, particularly in relation to heating and to the food basket, which result from the rise in transportation costs. Indeed, as I was mentioning earlier, even though some people may not be driving in the regions, the impacts are felt nonetheless. I gave an example about the consumption of a given good, but it is the whole food basket which is getting hit, as well as public transit. The community as a whole is suffering the effects.

• (2245)

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, very shortly, I want to tell the hon. member that what we propose is contrary to what the Minister of Transport said on August 26, when he told all the newspapers and other media that nothing could be done, that the Liberal government could not do anything. Finally, what the Bloc proposes are short term solutions: let us give tax credits to forestry and agricultural businesses, to taxi and trucking companies.

A few minutes ago, the hon. member for Laval—Les Îles was telling us that in the end, those people can deduct their gas expenses. Of course, they can deduct expenses. The problem is that there is no income. That is why we say that the government must compensate and give revenue back to taxpayers. That kind of tax credits could allow businesses in the regions to increase their profit margins. That is my question to my colleague.

**Mr. Sébastien Gagnon:** I am sorry, I do not know if I understood the question correctly. It is important to understand the nature of the credits that are proposed for households, for example. All moderate income households, no matter what source of energy they use, could receive a \$250 refundable tax credit. That is important for 2005-06 because there is an urgent need. We are only reacting to the crisis and we must find short-term solutions. Of course, the maximum eligible revenue for the tax credit would be determined by Revenue Canada so as to include about 6 million households having a moderate income.

I will finish by pointing out that the credit would apply to households earning less than \$30,000.

[*English*]

**Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, I would like to inform the House that I will be splitting my time with the member for Madawaska—Restigouche.

Clearly, Canadians are facing difficult times because of rising fuel prices. They want to see accountability from the Government of Canada, the provinces and the oil companies. The price of crude oil has gone up significantly since 2002, from roughly \$20 U.S. a barrel to just over \$60 U.S. a barrel. Part of that is because of increase in demand from countries like India and China. Although they only account for 10% of the world demand, they in fact represent over a third of the growth in demand.

The federal government does not constitutionally control the price and distribution of most goods and services in Canada, including the price of gasoline. We do not have that constitutional authority, so if people suggest that the Government of Canada somehow should deal with the price today, then they only need to look at the provinces.

They need to look at provinces like Prince Edward Island which has a regulated regime, or Nova Scotia and New Brunswick to a degree.

In Ontario, in 1975 there was going to be a 5¢ a gallon increase and the Conservative government of the day decided to put a freeze on it for 90 days. It had that constitutional authority. If the issue is to deal with prices, it can either freeze the price today or it can roll the price back. It has that constitutional authority. Whether it wants to act of course is a different issue, but the reality is that on the issue of prices it is in the purview of the provincial government.

The federal government deals with the issue with the Competition Bureau. In 1998, I and 46 other colleagues on this side of the House dealt with this issue when we set up a Liberal caucus committee dealing with the whole issue of the oil industry. We made a series of recommendations, some of which were adopted by the government of the day, in order to deal with the issue of prices soaring at any one moment in time and then taking forever, it seems, to come down.

We called all the major oil company executives before our committee. If I were to tell members that they told us they do not make a lot of money on oil but they make it on selling potato chips, dry cleaning and ATMs, they might chuckle, but that was what they told us. I would suggest that if we called them today, we would see that in fact part of the reason why they are making significant dollars is that there is a lack of competition in the marketplace, particularly among independents. The Competition Bureau can and has stepped in, in the past, when one major oil company takes over a certain part of the market in which it will affect others. That happened in the province of Quebec with Petro-Canada at one time.

The authority to deal with anti-competitive measures is with the Government of Canada. I personally believe that the Competition Bureau needs to be strengthened. We need to look at ways to deal with that. Some have suggested there is collusion in the market, and I would suggest that trying to find a smoking gun is very difficult.

There have been at least 11 or 12 prosecutions with convictions over the last dozen years or so, but it is to find that smoking gun. Everyone says that the oil companies are in collusion but again we have to have evidence in order to prosecute and that is a difficult thing. However, when the Competition Bureau has evidence, it does take action. Obviously we cannot have anti-competitive behaviour in the marketplace.

There may be a solution. I listened to the Bloc this evening talking about some kind of agency. Maybe we could say to the oil companies that if they are going to raise the price of gasoline by more than 1¢ there needs to be a 30 day notification. Maybe there needs to be some mechanism, but clearly the bureau needs to have those tools. It is high time for a very rigorous review of the powers of the Competition Bureau and what it can and cannot do.

The issue of taxes, which we have heard a lot about tonight, is not the issue. In 1992 the province of New Brunswick reduced the tax by 2%. The consumer did not see that because the oil companies immediately filled the void and raised the price. Cutting the excise tax by 3¢ would have very doubtful results because unless there is a regulatory regime in place that is going to clearly monitor and check that the 3¢ reduction is passed on to consumers, it will not make much difference.

● (2250)

I would point out that when I was parliamentary secretary to the Minister of Finance back in 2002 during that particular oil situation, the Government of Canada and the Minister of Finance of the day suggested that he would stop collecting the tax if the provinces followed suit. Maybe one province actually responded to that. The provincial taxes ranged from 15¢, 16¢ or 10¢ a litre, and they were not prepared to give that up.

The issue really cannot centre on taxes because the issue is whether or not there is competition. The issue is how to make sure, if we want to regulate this industry and obviously some would suggest in this House that we regulate it, that in fact if we are prepared to do that then we need to have the kind of regime in place that has the power to do so.

We need to have accountability from the oil companies. If one had been through the experience that I and others were, one would not believe some of things that we heard from oil company executives. They basically said that there is no question that there is a world demand. There is the impact that it has here, but it still does not account for the fact that prices spike significantly one day by 20¢ or 30¢ and then take forever to come down.

The Government of Canada has indicated through the Minister of Finance and through the Prime Minister that we are looking at ways to help assist Canadians during this difficult period. There is no question that fuel has the biggest impact on everything, whether it is in making pizzas, delivering them or getting the ingredients for those pizzas, or anything else. Fuel has an impact.

With whatever regime, if in fact we want to go ahead and put it in place, we have to remind ourselves that it will have to be there for a very long time. But if the price of hydro goes up or heating oil, again one has to look to the provinces. In terms of pricing, it is a provincial jurisdiction. I have not heard a lot about that tonight because that is their domain. It is not our domain and even if we wanted to, the only time I think we could ever become involved is in an emergency situation such as in a time of war. We would certainly hear howling from the provinces if we intruded on a jurisdiction which obviously some of them are not prepared to even exercise at this point.

The issue that I hear from some members relates to taxes. Again, there is no guarantee of savings and in fact, whether the price is 80¢ a litre or \$1.30 a litre, the federal tax does not change. What does change is the fact that the government has taken an aggressive stand on renewable energies. It did so in the budget of 2005 which some did not support.

This is the government pushing ahead on ethanol as an example. This is a government that is clearly committed to higher fuel

standards for vehicles and is committed to all sorts of renewables. But those are clearly more down the road.

There is an immediate impact on families who are suffering today. The action the government will take will obviously have to be one that will not create a bureaucratic situation. We did try to assist in 2002 with rising costs in the area of heating oil and we were accused of giving cheques to dead people. People did die, even though they were on the list, after the cheques had gone out, or some went to jail.

I do not know whether we want to go down that road again, but I think we need to have a monitoring agency that has the proper tools, through the Competition Bureau, to call for accountability from the oil companies, to say that within 30 days if they are going to increase the price by 1¢ a litre they would have to report and would not be able to raise it until the time was up. There has to be some surety in the marketplace if in fact this is what members want to do. While I think all members seem to agree that they want to take action, the question is what kind of action should we take.

Constitutionally, if we want to freeze the price of gas or roll it back, we have to phone our members of the provincial legislatures because they have that constitutional authority. We will deal with the Competition Bureau which I think the House should really be looking at by giving it the proper tools. Let us move ahead and assist Canadians in this difficult time that they are all facing.

● (2255)

[Translation]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I am very happy to hear the member finally say that the Competition Act needs real teeth. The Bloc Québécois has been saying this for the past five years.

If the government really ends up doing the right thing, we will most certainly cooperate. The Competition Act clearly needs to be tougher. The situation has been left to deteriorate. Today, the government is only taking small steps, piecemeal, such as to help the most needy. This help is essential, and the Bloc Québécois has been asking for it in its global plan for a long time.

Finally, are we going to have to wait for the five ministers involved to appear before the Standing Committee on Industry, Natural Resources, Science and Technology? Would it not be better if the Prime Minister himself made a formal statement recognizing the irresponsible gas price increases as a major problem and putting forward an action plan from his government?

For now, no one from the government has expressed any political will about this problem. We have succeeded in raising the members' awareness. I thank them. Could we not expect a similar attitude from the Prime Minister? As of now, the little people and small businesses continue to be the most affected by the crisis. This is unacceptable.

[English]

**Hon. Bryon Wilfert:** Mr. Speaker, in fact, both the Minister of Finance and the Prime Minister have indicated that they are looking at specific measures now to help alleviate the problem for Canadians.

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It is not necessarily going to be a magic bullet, but it is going to be, I presume, an approach that will assist those middle and low income families and small businesses that are particularly affected by the rising price of fuel. There is no question about that.

Again, and I agree with my friend across the way, the Competition Bureau needs to have serious changes made to it to give it the power. Yes, it does all these investigations. Yes, it does try to find the smoking gun. Part of what it does not have is to say to the oil companies in Canada that if they want to raise the price by x amount, there is a cooling off period of, I suggest, 30 days as an example.

That is the kind of thing I would like to see the Competition Bureau have, so that it has not only the power to investigate and prosecute, but also in terms of its monitoring ability is able to say that these are the rules if oil companies wish to increase the price.

The average person, including myself, who goes in to buy gasoline cannot understand why the price seems to fall slowly at night, suddenly jacks up in the morning because of impacts. We talk about hurricanes and so on, but some of the companies are not importing American oil. We have not had the impacts.

Yes, there is a refining capacity issue. There is no question that it needs to be addressed, but again, that is not something directly that the government has a direct say in.

• (2300)

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, I have a difficult question for the member which has not been asked yet. I think this is a very interesting question.

The Competition Bureau and the Conference Board through their many studies have shown that, up until this recent crisis, the surges in prices virtually followed crude oil prices exactly, so there was no collusion or attempts to fix prices.

In this last crisis crude oil prices did not change that much and there was still a dramatic increase that we had. I have two questions related to the price increase.

First, at the industry committee the member for Tobique—Mactaquac showed that 40¢ of the 50¢ increase was related to the refinery level, even though it did not cost any more to refine gas. Second, there were suggestions that speculation of coming shortages caused by hurricanes could have caused that. Can the member provide Canadians any insight in those two areas?

**Hon. Bryon Wilfert:** Mr. Speaker, there is no question that refinery capacity is at an all time low and there are issues dealing with that. I suggest to the member that refining capacity has been and continues to be a major problem. I think that is admitted by everyone, including the oil companies. What are they doing about it is a different issue, but there clearly is that problem.

I would suggest that the member's initial premise is absolutely correct. That has in fact been the trend with regard to pricing and crude oil prices and until recently that has been the case.

Yes, there is a lot of speculation in the marketplace. Some were reporting that we would see gas at \$2 and \$3 a litre last weekend. In fact, it did not happen, but again, it may happen because of some

hurricanes which may impact on the United States but not this country.

We need time to bring all of the parties together and suggest that we need to see decisive action, particularly in the area of monitoring. There must be an ability to assure Canadians that when prices go up in this particular industry which affects Canadians in every walk of life, that in fact oil companies can justify that increase and be accountable, and at the same time ensure they make a reasonable profit. I am sure nobody has a problem with that. What we have a problem with appears to be the issue of gouging.

[*Translation*]

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, I am extremely proud to take part in this emergency debate on the hike of fuel prices. This issue is very important for me.

In my riding of Madawaska—Restigouche, we often say that we like to be in the headlines and to have our riding and region known all over the country for positive reasons. There is no doubt that during the past weeks, we were also known because of the fuel crisis. I will expand later on this aspect. It is very important for me to take these few moments to make sure the voice of the riding I represent is heard.

In fact, one can look at the situation at the level of gas, heating fuel or oil price. In the end, we are all affected directly or indirectly. We have to take this into account and make sure to make changes to improve the situation and the standard of living of our fellow citizens.

On the personal side, we are affected when we go to a service station or when we need heating fuel for our homes, like most people who live in rural areas. Winter will soon be here. Therefore, the situation could become a problem.

Companies will have to review their operations to continue their development and maintain their profitability. The not-for-profit organizations, like food banks and help centres for disadvantaged people, also have to face the consequences of rising gas prices.

In New Brunswick, my province, my neck of the woods, the economy depends mostly on the forestry sector; the situation affects all sawmill and logging operations. And let us not forget the trucking, transportation and tourism industries that have already been affected. If we do not look into this adequately, the tourism sector will take an even harder hit in the coming years.

The blockade instigated by truckers from my riding of Madawaska—Restigouche and from other parts of the province was a warning, the beginning of an even more alarming crisis if we do not act quickly to stop the rise of gas prices.

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As parliamentarians, we not only have the duty to act, we must also take part in debates like this one in order to find a solution, together. This is not about partisan politics. Our work goes well beyond that. That is why I was outraged this afternoon when I heard comments such as those from the deputy House leader of the opposition, who alluded to the Prime Minister's and other ministers' travels over the summer.

One can blame it all on the government or on somebody else, but sometimes the opposition must push matters further and realize that the summer barbecues of its leader did not succeed any better at solving the problems brought about by rising gas prices.

I will not make any other comments of this nature tonight, but I had to speak out against some of the comments I heard in the House this afternoon that were not well thought out.

I was at the truckers' blockade that took place in my riding in northwestern New Brunswick. I met the truckers in order to better understand their reality and to find solutions with them.

My colleague from Tobique—Mactaquac has also helped me a lot. As we know, my colleague also sits on the Standing Committee on Industry, Natural Resources, Science and Technology. We have worked closely together to find a solution and to push the issue forward.

The hon. member and I will do our utmost to convene the Standing Committee on Industry, Natural Resources, Science and Technology to get answers to questions that we are frequently asked and to which Canadians deserve answers.

I am pleased to see that, as a result of work by my colleague and I, the Standing Committee on Industry, Natural Resources, Science and Technology resumed last week on September 22, even if the House had not yet done likewise.

We can understand the frustration felt by truckers, whose income depends in large part on the price of gasoline. Obviously, there are operating costs, fixed costs and equipment rental costs. It is increasingly expensive. However, these people must suffer through this and deliver goods that we need such as food, clothing or any other commodity we want.

As members of this Parliament, we must do much more than understanding the facts. Canadians are calling for action. Those who elected us are asking us to work to improve this situation.

● (2305)

One of my constituents shared his concern and dismay with me about the increase in the price of fuel. This winter, he will have to heat his home with fuel oil. He was just told that the monthly charge will be \$185. Less than one year ago, it was \$95 per month. We can imagine how this will affect the overall household income.

When we look at this, we think that, obviously, the government will collect more taxes. When cost jumps from \$95 to \$185, it reaches an entirely new level. The purchasing power, the economic power of these individuals, has been greatly reduced. Ultimately, the government will not be reaping the benefits with regard to taxes.

People on limited or fixed incomes, low-income earners and even the wealthiest members of society are affected. In short, each of us,

as Canadians, is affected. People in rural regions, such as mine, are as affected, if not more.

Let us look at the situation. I know that certain of my colleagues have also talked about this. In the last few weeks and again today, in two areas—often in the same province—less than an hour's drive apart, there was a 9¢ difference in the price per litre of diesel. It is difficult for us to understand this, but it is even more difficult for our fellow citizens to understand why there is a 9¢ difference between the price they pay for diesel fuel at one location and another that is located only one hour's drive away in the same province and the same riding.

As a federal member of Parliament, it is much harder to represent a rural riding because there are greater problems to overcome. One of them is that we do not have access to public transit. We do not have buses to transport people. Our only means of transportation is our car. The only means of transportation by which the people of my riding can get their groceries and pay their bills is their car. The only means of transportation by which the people of my riding can go to work is their car. Driving a car costs a lot of money, but their wages are not raised accordingly.

We depend on energy, and we need to find more efficient solutions to offset this dependency in the very near future.

But before we even turn to more efficient solutions, more ecological solutions to counteract this phenomenon of increasing energy dependency on this continent, we need to find solutions to the present situation, in order to remedy the soaring gas and fuel costs.

In recent weeks, within a whole different context, I met with forestry industry leaders in my region. Most of them told me that one of the crises they are experiencing at the present time and will certainly have to overcome in the future is increasing energy costs. Obviously, diesel and gasoline are factors in that increase. There is another problem, however. When energy is produced from diesel or oil, this automatically increases the cost we have to pay for electricity.

This is a situation that requires realism. Producers and people in the forest industry must address it. They must counteract increasing energy costs by remaining competitive, not only regionally or nationally. When we want to do business today, the bulk of it involves exports, particularly in our small regions. So if we want to export, we absolutely must be competitive on the world level. That requires our businesses to have some tools.

*S. O. 52*

When we examine the situation, we can certainly look here and there to find solutions, to put the finger on the problem and to describe the situation. Along with citizens in my riding, we have witnessed the profit margins that oil companies have taken in during the last weeks. This is unrealistic. What other industry in our country or even in the world can increase its profit margins for refining three, four or five times? To my knowledge, no other industry can do so.

• (2310)

If this industry has difficulty taking responsibility, we must, as parliamentarians, make it do so. It is certainly something on which I will work relentlessly. I will work to find solutions for the citizens in my riding.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I have a lot of compassion for the people of Madawaska—Restigouche. New Brunswick, like Quebec, is going through very difficult situations. I have a little less compassion for the hon. member because he belongs to the same political party as the Minister of Transport, who, as recently as August 26, said there was no solution and there was nothing the federal government could do. In this House, over the past few hours, some solutions have been suggested including some that are not new, not even to the hon. member.

For five years, the Bloc Québécois has been asking to give more teeth to the Competition Act. This is just as important to New Brunswick, where the oil companies also own the trucking companies and compete with independent truckers by taking part of the refiner's margin to decrease the cost of gas for their own trucks. It is scary, but that is the situation.

We are dealing with a vast monopoly that goes beyond the refinery. Oil companies own the trucking companies and freely compete with our poor independent entrepreneurs. That is my question for the hon. member.

The Bloc Québécois is proposing a tax credit for independent truckers. We truly need to help this industry that is in the process of being eaten up by the major oil companies that have their own transportation industry. That is the reality. We are experiencing it here. They are experiencing it in Madawaska—Restigouche. I understand truckers and the public. Nonetheless, it is also time for their Liberal government to take decisions. We cannot wait for this to happen six months from now. Many independent truckers will lose their businesses.

I am asking the hon. member whether he agrees that a tax credit should be introduced quickly to help independent truckers.

• (2315)

**Mr. Jean-Claude D'Amours:** Mr. Speaker, on the government side we try to find solutions, of course. Whether we are talking about your regions or ours, in the end, those affected by the constant increase in oil prices are ourselves and our fellow citizens.

The hon. member proposed a solution or an option. No doubt that all options must be evaluated, but one must also examine the underlying factors. The tax issue has been raised. We just heard a suggestion for a tax credit.

A tax credit is obviously an interesting idea. However, we are in September and the taxpayer who files his or her income tax return in

March will not get a penny before April. In fact, other tragic situations could happen before then.

No matter how we proceed, we must make sure that the measure we choose does not benefit only a small group or does not contribute to helping the oil companies maintain what I would call excessive profit margins.

Sure, we must help our fellow citizens, but we must take care not to allow an industry to get richer on the backs of the have-nots in the process. We must continue to work to find solutions, but they must be long-term solutions to make sure that our fellow citizens, the men and women of Canada, can face the challenge successfully and with meaningful solutions.

[*English*]

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, our colleague from New Brunswick did find that 40¢ or 50¢ were refiner prices and that it was a large margin. I wonder if the member could tell me how that refiner margin works out over the entire cycle of a year.

[*Translation*]

**Mr. Jean-Claude D'Amours:** Mr. Speaker, I am convinced that you will not give me a lot of time to answer this question.

Let us look at the refinery margins. When, over an annual cycle, there is a normal margin, no one will say anything. After all, we are in a free enterprise economy. Everyone can start their own small business and hope to make some money and profits.

If one looks at margins on an annual basis and finds that they are normal, nobody will have a problem with that. But when the refinery margins increase by 30¢ or 40¢ in very little time, that is where the problem is. It is not when the margins are calculated on an annual basis.

[*English*]

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, I appreciate the opportunity to speak to this issue on behalf of my constituents of Port Moody—Westwood—Port Coquitlam.

As the transport critic for the official opposition, I rise to call on the Liberal government to take action on the rapidly increasing price of fuel for Canadians.

I am a bit distressed by some of the comments that I have heard tonight by my Liberal colleagues opposite. Some of them have suggested that the government has no plan at all, that they hope that the continued Liberal inaction will help wean Canadians off of petroleum and off of this issue. For example, the Minister of the Environment said that high gas prices are not necessarily a bad thing and that in fact they are “actually good for Canada in the medium and the long term”. He is on the record as advocating greater use of both bicycles and public transit.

*S. O. 52*

I agree with both these latter initiatives. The Leader of the Conservative Party is a very strong advocate of public transit. On August 4 of this year he announced our party's plan to allow commuters to deduct the cost of their monthly transit passes from their income taxes as part of a made in Canada clean air policy that would promote increased transit ridership and result in reduced traffic congestion, smog and greenhouse gases.

The Liberals have not yet adopted a similar position. They are more interested in taxing Canadians than in giving them real incentives to take public transit.

However, Canada is not a nation that can last simply on public transit such as Hong Kong where an excellent urban transit system and greater use of bicycles are a clear solution to rising oil prices. Instead, we are a country that spans an entire continent encompassing a full seven time zones. Our territory is slightly greater than that of China and our population is roughly twice that of the Netherlands. Many Canadians do not know this but Canada is more than twice the size as the Roman Empire was at its peak in size.

We are a relatively small population spread out over a vast land. For example, the distance between Ottawa and my riding of Port Moody—Westwood—Port Coquitlam is greater than the distance between Toronto and Mexico City. Halifax is closer to Europe than it is to Vancouver.

The need to facilitate interprovincial trade is essential to both our economy and to our identity as Canadians. Thus on February 25, 2003 when the former Minister of Transport, the Hon. David Collenette, tabled "Straight Ahead: A Vision for Transportation in Canada", he highlighted the need for efficient movement of people and goods to support economic prosperity and a sustainable quality of life based on competitive markets and targeted use of regulatory and spending interventions. Let me repeat that. Two and a half years ago the then Liberal Minister of Transport saw the efficient movement of goods and people as central to our economic prosperity and quality of life.

When former transport minister Collenette made his statement, 100% of the means of transportation between our cities and regions and provinces was dependent on hydrocarbons. In fact, when he proposed a high speed train for the Montreal-Toronto corridor, the technology he proposed would have required fossil fuels. Nothing has changed. Despite a dozen years of Liberal talk we have seen no concrete actions by the government that would significantly reduce our reliance on hydrocarbons.

When the Minister of the Environment approves of higher gas prices, he is turning his back on the efficient movement of people and goods and supporting the type of inflation that threatens the very economic prosperity and quality of life that the former transport minister claimed the government supported.

Already StatsCanada is reporting the impact of high gas prices on the economy. It stated that in August "consumer prices rose 2.6% compared with those of a year earlier mainly because gasoline soared by 20.1%". On September 22, Ted Carmichael, chief economist at JP Morgan Securities Canada, predicted that Canada's inflation rate could reach 3.5% or 4% in the next couple of months as a result of spiralling gas prices. In fact, even as far back as June of this year

when the Canadian Federation of Independent Business surveyed its 100,000 members, fully 78% of its members cited rising energy prices as their top concern.

That is hardly a surprise because Canada's business leaders are always ahead of governments and they truly understand the links between fuel prices and distribution costs. They know that rising fuel prices are reflected in the price of fresh fruit, merchandise and household items. They are aware that fuel costs are a component of almost everything we buy and everything we sell. In fact, already representatives of the Canadian Trucking Alliance have been quoted as saying that a 25% fuel charge is currently being applied to most truck shipments and this will undoubtedly be reflected in the price of most consumer and business items.

Last week the Canadian Federation of Independent Business said that soaring energy prices are squeezing most small businesses and pushing one in five into the red. Small and medium size businesses are the engine of our economy, so if high energy prices are negatively affecting small businesses right across Canada, the government should listen.

● (2320)

In British Columbia, Laura Jones, CFIB's Vancouver based vice-president, said that the vast majority of small businesses, more than 95%, have fewer than 50 employees. Eleven per cent of B.C.'s small businesses report that they are actually losing money directly due to fuel prices, and a whopping 68% have reported significantly lower profits.

Predictably, the most vulnerable small businesses are in the transportation sector where 32% of operators say they are losing money. That means that one in three transport companies are losing money because of high fuel prices. Already Air Canada and WestJet have introduced fuel surcharges and contemplated other strategies such as reducing baggage allowance and carrying fewer pillows and blankets on domestic flights.

However, the two transportation sectors that are getting savaged the most are taxis and independent truckers. Both are in situations where they are not easily able to pass on higher costs to their customers. For example, in most cities taxi authorities want to ensure that taxis can carry passengers large and small, as well as families and those with mobility challenges. It is not uncommon for them to require a taxi operator to drive a full size car, such as a Chevy Caprice or a Ford Crown Victoria. Neither of these is easy on gas, but cabbies are generally not allowed to drive Toyota Echos and Daimler Smart Cars by law.

As a result, rising fuel bills are really hurting taxi drivers. Cabbies are caught between a rock and a hard place, the rock being rising fuel prices and the hard place being local requirements and metered fares. The result has been taxi driver demonstrations and desperate and unheard pleas for the government to listen and to take action.

*S. O. 52*

Independent truckers are in a similar spot, caught between rising fuel prices and low freight rates. The results here included a 47 day blockage of the entry to the port of Vancouver by 1,200 members of the Vancouver Container Truckers Association in July and August, and an 11 site, 500 truck demonstration that blocked New Brunswick highways 2, 11 and 17 for three days in early September. A more attentive government would have noticed that fuel prices were a central issue of both protests, but the Liberals are not known for listening.

Given that taxes make up roughly 40% of the pump price of gasoline, one would think that the government has ample room to take action. However, there is no political will to do so. In fact the member for Ajax—Pickering actually said, “The worst thing we could do is slash what little we collect because then we’re not working toward any kind of solution”. I suspect that his kind of little amount is quite different from mine.

Budget estimates pegged total fuel revenues from the 10¢ a litre excise tax at \$4.68 billion this year. In addition, last year the federal government collected \$1.198 billion in gasoline GST revenues. That is roughly \$7 billion, or about 3.7% of total federal revenues. Last year’s GST revenues of roughly \$1.2 billion were based on an average pump price of roughly 84¢ for the period May 2004 to April 2005. For every 10¢ per litre increase in fuel, Ottawa’s GST revenues increase by \$175 million a year. According to M.J. Ervin Associates the Canadian average pump price on September 13, the last date for which they have a Canadian average price, was \$1.099 per litre.

If the May 2004 to April 2005 average was 84¢, and if the current price stays at \$1.10 a litre, the Liberal government will bring in an extra \$455 million in GST revenue this year, or roughly \$14.15 from every man, woman and child in the country. That is \$455 million that was not in the budget and was not expected for current expenditures. It is money that comes from a tax on a tax. More important, it is money the Liberals want to put into their election slush fund.

Soon Canadians will hear of home heating fuel rebates and similar ill-conceived plans from the Liberals that did not work before and will not work again if these Liberals are to manage them. Canadians do not just want a break on heating bills, they want a break on the price of lettuce, taxi fares, appliances, fast food, and children’s clothes. Unless fuel prices drop, all of these items will increase in price because they are all carried by truck.

I call on the government to take action today against rising fuel prices, or during the next election Canadians will be asked to choose between a Conservative government that understands Canada’s transportation needs and a Liberal government that has no plan, no agenda, but pockets full of disposable taxpayers’ dollars that it does not need.

• (2325)

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Unfortunately, Mr. Speaker, the member did not include in his calculations the point that the GST may not go up at all as income to Canada. He did not include the calculation that people have less disposable income to spend on other things so the government loses GST there. There are pensions and GST rebates that are indexed and it will lose GST there. There is

less gas purchased when prices are up, so the government loses GST. There is not necessarily an increase to the government in taxes.

My second point is that earlier in the evening, and the member may not have heard this, it was outlined how the attempts to reduce excise taxes in other jurisdictions did not work. This did not get passed on to the consumer. We are looking for a solution that will be passed on, especially to low income people. As imperfect as the last solution was, I think everyone agreed that it was far better that a vast majority of low income people got it even though a few people should not have.

My question to the member is related to the tax regime for the Canadian petroleum industry. Earlier in the evening an NDP member suggested that because the government had reduced taxes to the industry from 28% to 21%, that was not good. I would like to ask the member about this. If the tax regime that the petroleum industry in Canada is in now is competitive with the rest of the world and creates, as was said earlier in the evening, several hundred thousand jobs in Canada, should Canada not have competitive tax rates such as that reduction and the tax regime that the petro Canada industry is now working in so Canada could compete with the rest of the world and keep those jobs in the industry?

• (2330)

**Mr. James Moore:** Mr. Speaker, we should have competitive tax rates. Tax rates would be more competitive if this Liberal member and this Liberal government had not gotten into bed with the NDP to nix the tax relief that was offered in the first Liberal budget this spring. We should have a competitive economy and competitive tax rates, but we are not there yet.

There were three points that the member made in his preamble. His first point was that GST collected on fuel taxes will not necessarily mean savings for citizens, because if citizens are not paying that GST tax by purchasing fuel, then they will pay that GST if they are purchasing groceries, clothing, books or whatever, and that money would still flow back to the government.

That is a pretty weak argument. In fact, it is a profoundly weak argument, because what the member is missing is the very idea of choice. Citizens should have more choice in how they want to live their lives.

The reason I am a Conservative is that I believe in lower taxes, less government and more freedom. I believe in personal responsibility and empowering citizens to make choices about how they want to live their lives. Everything should not be governed by what impact it will have on a Liberal government and its ability to have a certain amount of money to spend.

*S. O. 52*

What it should be about, and what we should be trying to do here, is setting up an efficient economic system so that citizens have more choice in how they want to live their lives. They should not be saddled by excessive GST on fuel because that money would just be collected elsewhere. Citizens should have choice as to whether or not they want to purchase fuel or purchase something else and not be hammered down by the cost of heavy taxes.

The second point the member made was about the issue of tax relief on fuel not being passed on to consumers in times past, the argument being that if we cut taxes on fuel, the oil companies will just come in and consume the tax room because the presumption is that the market sets the price of fuel relative to what the taxes are. The truth is that this is not entirely true. The Parliamentary Secretary to the Minister of the Environment made that the centrepiece of his whole presentation here this evening and it is not true. It has been true in circumstances, but it is not a universal truth.

There are certainly circumstances where taxes have been lowered and consumers have seen that benefit. That is what needs to take place. If we drive around almost any city in this country, we will realize that at one gas station, gas is \$1.06 per litre, and if we drive three blocks, it is \$1.17 per litre, and if we go somewhere else, it is \$1.04 per litre, all in the same day. That is because there is competition. It has never been proven in the last 15 years that there is some kind of collusion between the gas companies. There is competition, and if the government lowers the taxes it will be reflected in the price at the pumps.

The third point the member made is that the government said it does want to do something with the home heating situation that will arise this coming winter and that even though the government made some mistakes in the past it was not all bad and we should try it again. The government did not just make some mistakes in the past; it was a horrendous failure. Over \$1 billion went to people who did not need home heating rebates. Prisoners got it. People who were dead got it. Students in university, who do not pay for home heating fuel, got it. One out of every three cheques went to people who did not need it. It was a huge waste on the treasury. That tax relief could have gone somewhere else or that investment could have been used by the government on something else.

I received a home heating rebate cheque. Every member of Parliament in this place earns \$144,000 a year. I do not hear any members of the House complaining about their salaries, but the government so pathetically botched that home heating rebate that I as a member of Parliament personally received a home heating rebate cheque. If the member thinks his government's scheme for home heating rebates is a good plan and wants to revisit that this fall and this coming winter as a solution to the high cost of fuel, the member is sadly mistaken and clearly has not learned the lessons of the past.

● (2335)

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, the member for Port Moody—Westwood—Port Coquitlam outlined so succinctly the kinds of challenges Canadians are facing today due to the high cost of rising gas prices on a daily basis.

Listening to the debate tonight, this should have been put forward by the government months ago because it did not happen overnight.

The gas prices have spiked frequently over the past 18 months. Prior to that, a government in the know would have understood that problems would occur and a strategic plan should have been put in place.

Tonight, as we talk about changes to the Competition Act and the need for action and as we listen to the debate and the answers that have been put forward by members opposite, clearly it is a pathetic display, in my opinion and in the opinion of my constituents of Kildonan—St. Paul, in Winnipeg, Manitoba, of how the government governs. The government has absolutely no plan. The government generates \$32 million per year every time one litre of gas goes up one cent. That is an awful lot of revenue.

The government has bragged about a great surplus of money in the bank. However, we see people in health care waiting lines, waiting for treatments or for tests. Seniors have to pay exorbitant prices for medicines. Crime is on the rise across Canada. My city of Winnipeg has its fair share of major crimes, but we do not have the police resources to hold it down. Yet we have a federal government that deals with every issue, including the gas price crisis, with a laissez-faire response such as, "We'll all get together, have an all party meeting to come up with some sort of solution sometime in the future, somewhere, and it will help somebody".

We have seen a myriad of examples, on which the member for Port Moody—Westwood—Port Coquitlam just expanded. We have seen a myriad of problems with some of the half-baked schemes that the government has come up with. Right now we are talking about a country that is financially under duress. Our country is overtaxed. Our country is meeting challenges on a daily basis with a government that is making irresponsible choices. We have a copyright bill, Bill C-60, in which the government forgot to place an educational amendment. Now schools will have to pay for the price of downloading materials that are free every where outside the school. It does not matter whether it is gas prices, or legislation, it is clear that the government has no plan and the action that it has taken is slow and tardy. We have example after example where people are suffering because of the fuel situation.

Let us go back to the school situation. Bill C-60 neglects to have an educational amendment was not put into Bill C-60. School buses use fuel to get around and we have an added tax on the school systems in Canada.

● (2340)

The rise in gas prices impacts people. Before I came here for this debate I was talking with a young woman in my hotel. She said that her husband did not pick her up at work any more because gas was so expensive. She now takes a bus. She said that she was a little afraid of walking at night in some areas. She is very nervous because she works the night shift.

Government has to look at the well-being of all Canadians. Government has to be able to predict the future. It has to look at the signs and see what is going on in the economic engine of our country.

*S. O. 52*

Everyday Canadians feed their families, go to school, try to have some recreation time, a quality of life and to build a foundation where they can be comfortable. We need a government in place that takes all this very seriously. We must have a government that is able to plan and put programs in place that assess and meet the needs of Canadians across our country.

I will not repeat what the member for Port Moody—Westwood—Port Coquitlam said. He very eloquently outlined most of the businesses that had been impacted as a result of the rising fuel prices. The member outlined some of the reasonable arguments as to why Canadians could not wait. The solutions have to come now.

We have in place a government that is not ready to bring forth those solutions. As I have listened to the debate tonight, the government is obviously throwing out policy on the fly. The member from this side of the House pointed out a little earlier that it is very piecemeal.

This became quite clear when I drove down one of the main thoroughfares in my constituency and saw lineups of cars at the gas stations at midnight when there was a threat of hurricane Rita impacting the coast of America. The motorists were afraid that the environmental threat would cause gas prices to go up.

There should have been leadership in the House of Commons from the Prime Minister and from the government, explaining and reassuring Canadians of what could happen. When people have a fear of filling their gas tank in order to safely get to and from work, there should be a solution. Canadians should not fear the fact that they might have to cut the grocery bill because they cannot afford to pay for gas.

To be quite frank, Canadians do not really care a whole lot about excuses. What people care about are solutions. Here in the House the confidence of the Canadian people in the government is being undermined because of the lack of action and strategic planning and because of comments that high gas prices are good for Canada.

I challenge the members opposite to find one Canadian who believes that statement to be true. I am calling the government to action, to put a plan in place that will meet the fuel and heating challenges that Canadians are facing this winter.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, my question for my colleague in the Conservative Party will first refer to the plan proposed by her party, which is, obviously, to lower the gas tax. I am open to this situation and to this solution. The numbers which have been bandied about, among others by her colleague from Port Moody—Westwood—Port Coquitlam, mention \$14.5 per capita. This corresponds to the monies the government would be collecting this year compared with what it collected last year from the GST, that is to say somewhere between \$400 and \$450 million in extra revenues. One cent brings in \$400 million. Thus, it can be argued that we can hope for a one-cent reduction in the gasoline tax. I can concur with that.

However, my other problem has to do with the fact that the government is collecting an extra \$450 million, whereas the oil industry will be collecting \$2 billion dollars. That does constitute a

concern for me, as it is hard to make out the position of Conservative members.

Here is my question for the member: does she acknowledge that it is possible to tackle the problem of the mind-boggling profits raked in by the oil companies, which use crude oil prices in such a way as to be in a position to grab extra profits at the refining level?

During the past 30 days, the average in refining profits was 26.1¢ a litre, while from 1999 to 2003, the average was 7.5¢ a litre. During the past 30 days, oil companies pocketed \$800 million in net profits. Will my colleague agree with me that it is time to put an end to this, to discipline the industry, to give powers to the Competition Act, and to create the monitoring agency so that the industry will no longer use the increase in crude oil, for all kinds of international reasons, to try to make additional profits that must go to shareholders every three months?

I hope that my colleague understands the position in which we find ourselves. We are willing to support the Conservative Party for a reduction of the tax. However, we must also deal with these huge profits, because, during the past 30 days, oil companies took between 20¢ and 35¢ a litre every day in refining profits. Apart from the one cent that we will be able to give back as a reduction, we could have allowed our citizens to save between 20¢ and 35¢ during the past 30 days. Will my colleague agree with me that we must discipline the industry?

• (2345)

[*English*]

**Mrs. Joy Smith:** Mr. Speaker, tonight, as we are debating this issue, there are changes to the Competition Act and other issues that need to be looked at but the fact is that we have a government that is in surplus. It is collecting copious amounts of taxes and has promised gas tax benefits to municipalities across the country. Some municipalities have not received what they feel is their fair share of that money at all. We are talking about infrastructure money and about building communities.

When we talk about the rising gas prices right now, this is fully on the shoulders of the government that is in power at this time. We have made suggestions on this side of the House about the gas tax. I fully support what we are talking about because it would have a direct benefit to Canadians at the gas pumps.

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Speaker, I will be sharing my time with the hon. member for Lac-Saint-Louis.

Canadians assume that the increases in gas prices result in windfall billions for provincial and federal governments. There should be no windfall to any other order of government or business at the expense of Canadians. There is much value in this debate, but one fact is clear: gas guzzler sales have not diminished and some dealers are actually reporting increased SUV sales over the past month. I am prepared to deal fairly with the oil companies but another fact stands. They have been less than open in explaining their record profits while moaning about the world situation.

The Canadian Tourism Association had produced a document confirming that tourism from the south has dropped by 30% over the past four years. If we are going to restore discretionary tourism from vehicular traffic in the United States, then certainly high gas prices will not help.

In my riding of Thunder Bay—Rainy River and the surrounding ridings throughout northern Ontario, which have already been devastated by high electricity costs for the forest industry, the additional cost of fuel is further pressuring the competitiveness of the truckers who supply the products to the mills and then back to markets.

Canadians expect Parliament to react but also to lead by challenging big oil companies to fully rationalize their pricing. It is difficult to overcome the cynicism that the recent, rapid rises have generated. Parliament has to produce a plan that shows we are not simply subject to whimsical pricing by multinational corporations who care little for the people dependent on their products. Any relief we can provide will not only be appreciated by Canadians, but by those who visit and work in our country.

I am proposing a national task force into gas prices composed of members of all parties. This could spark the type of answers Canadians need. All suggestions heard tonight would be objectively weighed and considered. As it would be objective, it would hopefully set a tone, so that we may face the future with some measure of confidence.

If the Competition Bureau cannot prove collusion, then it should at the very least determine if the current skyrocketing pricing is anti-competitive and therefore unethical behaviour. If indeed the provincial governments can freeze gas prices tomorrow, then we should encourage them to do so, this from the federal government. The national government has to lead on this issue.

My experience over the past number of years as mayor in starting a local task force on gas prices and combining different people had some very interesting results. The most conclusive was that we were unable to obtain from any of the national oil companies in Canada a definitive reason as to why prices fluctuate so widely. Why do they rise rapidly on Friday morning? Why do they slowly come down on Tuesday? And why does this happen in different areas of the country irrespective of the transportation costs which are actually quite marginal?

I believe that, with my fellow member, the points that we will make tonight will be considered and I appreciate being given the opportunity to speak for northern Ontario.

● (2350)

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I have just one question for my Liberal colleague who just spoke.

My colleague is proposing the creation of a task force comprising members of all political parties. There is already an all-party committee on industry. Five years ago, this committee wanted to amend the Competition Act to strengthen it and authorize disciplining industries such as the oil and gas sector. The government refused.

S. O. 52

I really want to talk about this. In 2003, the Standing Committee on Industry, Natural Resources, Science and Technology proposed implementing a petroleum monitoring agency, but it is still not in place. We can strike another committee, but how much longer will this government wait before reining in this industry?

In the meantime, over the past 30 days, the oil companies have pocketed \$800 million in profits at the refinery stage. Their standard margins have generated this surplus. They took advantage of all kinds of international events, hurricanes and other things, to fill their pockets.

My colleague is quite right. In addition to this, over the Labour Day weekend, we saw profits at the refinery stage of 46.4¢ per litre on September 2, and of 39.3¢ per litre for three days, September 3, 4 and 5. That is why I am saying that, over the past 30 days, they have pocketed over \$800 million more in profits compared to last year.

I am asking my colleague how much more time the Liberal Party will need before reining in this industry, strengthening the Competition Act through amendments and creating a petroleum monitoring agency.

[English]

**Mr. Ken Boshcoff:** Mr. Speaker, I believe that Canadians have been asking this minority Parliament to work together. I would think that a task force such as this composed of members of all parties incorporating all the very valid suggestions that were made tonight would be a true example of that.

● (2355)

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I would like to thank my colleague for splitting his time with me. I am honoured to have the opportunity to speak on behalf of my electors who are deeply preoccupied by the fluctuating and rising price of gasoline and who are indeed angered by this phenomenon. I share their frustration as a motorist and as their representative.

As elected officials, we have a duty to propose responsible, reasonable and rational solutions to the problems that we confront here in the House on behalf of the citizens of Canada. I have noticed essentially two proposals from the opposition parties. One would create an office to monitor and study the price of gasoline and the margins at retail, at wholesale, and at the refinery level.

This idea has been promoted by my colleagues on the right in the NDP and by my colleagues on the opposite side from the Bloc Québécois. I accept this idea. It would be a very good thing to analyze regularly and with some rigour what is going on in the oil markets. I believe that information is power and with that information Canadians and their government could put pressure on oil companies and call them to task. I support that idea, whether it has to be a separate bureaucracy with all the added expense associated with it or whether it could be something created within the Competition Bureau. I am rather agnostic on that point.

*S. O. 52*

The other solution that has been advanced is one which I do not believe to be the right solution. It has been advanced by my colleagues in the Conservative Party. They believe that we should reduce the GST on gasoline. I do not believe that this reduction would be passed on to consumers. It has failed in the United States where it has been tried, more specifically in Indiana and Illinois. It has not worked in New Brunswick. It is a very weak measure and just window dressing by a party that is not interested in reforming the structure of the oil industry in North America.

Indeed, it is a very difficult thing to do. Rather than propose a quick fix and ineffective solution, we need something at the federal level that will be more meaningful to Canadians. As a result, I would personally, on behalf of my constituents, favour a generalized cut to income taxes to compensate consumers for the added costs of gasoline in these very tumultuous times.

Similarly, I would support a direct rebate. I know this measure has been tried before, but I believe that if it is possible to work something out that is administratively sound, then I would support that as well.

In conclusion, the oil industry has a North American market. Reducing the GST on gasoline and creating some kind of price gap between the United States and Canada would simply result in Americans crossing the border and absorbing the supplies of gasoline in Canada that would and should otherwise be available to Canadian consumers.

Again, we need to focus on increasing the productivity of our economy. We need to focus on a tax system that is competitive. Lowering income taxes and/or providing a rebate directly to consumers would be the best way to go in this matter.

● (0000)

[*Translation*]

**The Deputy Speaker:** It being midnight, I declare the motion carried.

[*English*]

Accordingly, the House stands adjourned until later this day at 2 p. m., pursuant to order made on Monday, September 26.

(The House adjourned at 12 a.m.)

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