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OFFICIAL REPORT
(HANSARD)

Tuesday, October 24, 2006

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, October 24, 2006

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

CANADA ELECTIONS ACT

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC) moved for leave to introduce Bill C-31, An Act to amend the Canada Elections Act and the Public Service Employment Act.

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

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COMMITTEES OF THE HOUSE

JUSTICE AND HUMAN RIGHTS

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Justice and Human Rights.

In accordance with the order of reference on Tuesday, June 6, your committee has considered Bill C-9, An Act to amend the Criminal Code (conditional sentence of imprisonment), and agreed on Monday, October 23, to report it with amendments.

FISHERIES AND OCEANS

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Fisheries and Oceans in relation to federal marine service fees in Canada's Arctic.

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CRIMINAL CODE

Hon. Dan McTeague (Pickering—Scarborough East, Lib.) moved for leave to introduce Bill C-361, An Act to amend the Criminal Code (law enforcement animals).

He said: Mr. Speaker, I thank my seconder of my bill for providing me with this occasion to introduce a bill that would make it an offence to wilfully or recklessly poison, injure or kill a law

enforcement animal. It also would enable the court to make an order for restitution in respect to any such offence.

I wish to thank the Humane Society and the counsellors, Lindsay Luby as well as Dan Sandor, for their initiative.

It is important that we treat animals that are working within the context of law enforcement in the same way that we would treat those who are protecting our cities and our streets.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I move that the 17th report of the Standing Committee on Procedure and House Affairs, presented on Friday, October 20, be concurred in.

In essence, the report seeks to make permanent the Standing Orders of this House that were in effect on October 5, 2006, which include a series of provisional Standing Orders that were adopted in the last Parliament.

Members will note that the Standing Committee on Procedure and House Affairs is permanently mandated with the review of Standing Orders, procedure and practice in the House of Commons and in its committees.

The Standing Orders are defined by Marleau and Montpetit's *House of Commons Procedure and Practice* as:

The permanent written rules under which the House regulates its proceedings are known as the Standing Orders.

I can certainly understand how most Canadians may find this topic boring and even foreign. I know you do not, Mr. Speaker, as you are a student of these Standing Orders. However, for a parliamentary system it is of the utmost importance.

According to John George Bourinot, Clerk of the House of Commons from 1890 to 1902, the rules that regulate our proceedings are essential for reasons that include the protection of the minority, the restraint of improvidence and tyranny of the majority.

These rules must allow the opposition in the House of Commons to hold the government to account and to answer for its actions. However, at the same time, these rules must not prevent the government from being able to govern. It is this balance that parliamentary procedure intends to ensure.

Routine Proceedings

In addition to these permanent written rules, the House of Commons can adopt rules for a limited period of time. They are known as provisional Standing Orders. Provisional Standing Orders are adopted for a specific amount of time and are adopted on an experimental basis. They can be dropped, amended or made permanent if the House so wishes.

It is for that purpose that I move my motion today. I want the House to express itself on whether or not the provisional Standing Orders adopted in the last Parliament should be made permanent.

On February 18, 2005, the House adopted by unanimous consent a series of provisional Standing Orders that would expire 60 days into the 39th Parliament, which is our current Parliament. Before the 60 days, the House agreed to extend these provisional Standing Orders until November 21, 2006.

These provisional Standing Orders that are set to expire in a few weeks affect approximately 11 permanent Standing Orders. For example, under the provisional Standing Orders, all opposition motions on supply days are now votable. All speeches, including speeches by the Prime Minister and the Leader of the Opposition are now subject to a question and comment period. All parties can now be represented on the liaison committee. Committee reports have a greater chance of being voted on in this House. The government benefits greatly by the fact that there is now a 48 hour period of notice required for all opposition day motions. This replaces the previous 24 hour notice.

I would like to take a few minutes to review in greater detail some of the rule changes and, in my view, the positive effect these provisional Standing Orders have had on how we conduct business in this place.

First, I would like to quote the Hon. George Drew, leader of the opposition on June 4, 1956. In an edition of *Hansard* he said, "The word 'Commons' means the people. This is the House of the people".

Drew's statement is as accurate now as it was then.

One of the primary functions of this chamber is to allow people to debate. Opinions must be allowed to be expressed, questions must be permitted to be asked and decisions must be made.

One of the rules affected by these provisional Standing Orders is that now all speeches in the House are subject to a question and comment period.

Members will note that even speeches by the Prime Minister and the Leader of the Opposition are now subject to a question and comment period. In the past, because their speeches were of unlimited time, members were not permitted to ask questions of either the Prime Minister or the Leader of the Opposition after they gave a speech.

• (1010)

If the provisional Standing Orders are not made permanent, members will give up their right to ask the Prime Minister and/or the Leader of the Opposition questions after speeches in the House of Commons.

Why would anyone not agree to allow members of this chamber to ask questions of the Prime Minister or the Leader of the Opposition.

Must we shield the Prime Minister from taking questions from the members in the House of Commons? I think most would agree that all speeches should be subject to questioning. After all, is that not the true nature of debate?

Another rule that I believe was positively affected by the provisional Standing Orders is that all opposition motions debated on allotted days are now votable. On the issue of allotted days, I would like to quote Marleau and Montpetit's *House of Commons Procedure and Practice* at page 722 where it states:

The setting aside of a specified number of sitting days on which the opposition chooses the subject of debate derives from the tradition which holds that Parliament does not grant Supply until the opposition has had an opportunity to demonstrate why it should be refused.

On page 724 it goes on to say:

Members in opposition to the government may propose motions for debate on any matter falling within the jurisdiction of the Parliament of Canada, as well as on committee reports concerning Estimates.

Opposition parties put a lot of work into preparing their motions for debate on allotted days. In fact, these days are another tool that allows opposition parties as a whole to hold the government to account. Supply days allow the topic of discussion to be decided on by a party that is not the government.

However, it is thanks to the provisional Standing Orders that now all opposition motions on allotted days come to a vote. Reverting to the old Standing Orders would prevent opposition parties from having some of their motions come to a vote in the House of Commons.

I would like to turn now to the issue of committee reports. Most members of the House sit on standing committees and this is where a lot of the heavy lifting happens in the business of the House of Commons. Committees make their views, opinions and recommendations known to the House by way of reports. In fact, standing committees are permanently mandated with the power to report their findings to the House. It is essential to their role as microcosms and extensions of the House that they be allowed to do this.

I think all members would agree that standing committees work hard in preparing their reports on a variety of issues for presentation to the House. In the past, when a member would ask the House to concur in a given report, the government of the day would move a dilatory motion or debate on the report until an intervening item, such as question period or private members' business, would have the debate in the concurrence motion interrupted. It would then be up to the government to decide if debate would resume or not on the motion to concur in the committee report. The provisional Standing Orders adopted in the last Parliament increased the chances that committee reports will be voted on without any intervening items shelving them, as these debates are limited to three hours.

Therefore, the value of a committee's work is increased as it has the ability to continue meaningfully in the proceedings of the House. Its work is not ignored and committee members can bring important items to the attention of the entire House of Commons for debate and for a vote.

Routine Proceedings

These small but important changes adopted on a provisional basis were recommended by the Conservatives in the last Parliament. The member, who is currently the chief government whip, and his party, then in opposition, championed these small changes to our rules. It was the Conservatives along with the Bloc and the NDP that proposed these provisional Standing Orders to the then governing Liberals.

The Conservatives believed that these rules would add to the fairness and the balance of our proceedings. They believed that because all opposition days would be votable and the committee reports would not so easily be ignored, individual member's work would be valued. We agreed with the then Conservative opposition when we were in government. In fact, on February 18, 2005, the government of the day asked the House to concur in the provisional Standing Orders as proposed by the Conservatives. By unanimous consent, they were adopted on a provisional basis.

● (1015)

It is true that on September 20, 2006 the House agreed to have the provisional Standing Orders remain in effect until November 21, 2006. Of course, after November 21, the old Standing Orders would come back into effect.

The Standing Orders, that would not include the provisional Standing Orders proposed by the Conservatives when they were in opposition, would in effect be over with unless something was done in the intervening time. That something is what my motion accomplishes today.

The House will express itself on whether or not the provisional Standing Orders should be made permanent, the same ones championed by the Conservatives. Some will argue that we should not adopt these provisional rules now as Standing Orders because they may need to be reviewed or amended.

It is true that other Standing Orders may need to be reviewed, however nothing prevents the House from adopting the rules that have been in effect since February of 2005. Did we say back then that the current provisional rules could not be adopted because other Standing Orders may need to be reviewed? Of course not.

The *House of Commons Procedure and Practice* reminds us that there have been countless reviews of Standing Orders. In fact, the first amendments to our written rules occurred only four months after the adoption of the very first Standing Orders after Confederation. I am sure our practice, procedure and privileges will always be subject to review and scrutiny, as well they should.

In conclusion, it is not my intention to hold up the business of the House with my motion today, however I do believe the House should permanently adopt the provisional rules as proposed by the Conservatives when they were in opposition, the same rules we have been following since February 2005, and that they be put into effect unanimously.

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, I thank the chief opposition whip for her comments today. The comments might leave the incorrect impression in the minds of some members, or perhaps in the minds of the public, that these provisional Standing Orders, which were proposed by the Conservative Party when we were in opposition, are

now opposed by the Conservative Party now that we find ourselves in government. It might leave the false impression that we favoured rules that led to openness and free debate when we were in opposition, but now that we are in government, we seek to shut these things down.

Nothing could be further from the truth. Indeed, that is the opposite of the truth. We favoured these things when we were in opposition. We favour such amendments right now. We favour working consensually to achieve a means of moving forward on improving the quality of debate in this House

It was for this reason that we opposed the manner in which these particular Standing Orders were brought in, through a motion with no notice, to the procedure and House affairs committee, thereby violating the collegial spirit that had led to the prior process adopted by unanimous consent in a meeting of the House leaders and the whips of all parties only a few days before this motion was brought to the procedure and House affairs committee.

That had led to the choosing of a date, slightly delayed, so that there would be time for the provisional Standing Orders to be reviewed consensually. It would allow us to look for improvements to them, on the theory that the first draft designed a while ago ought to be improved where possible in order to ensure that it could function better. That was superceded by this decision to push forward unilaterally and without notice, in violation of a resolution that had been achieved unanimously and adopted unanimously by this House.

I have a question for the member. Why did the opposition whip introduce a motion that superceded a unanimous decision of the House following a consensual agreement that took place in private, behind closed doors, that allowed for the smooth operation of the House and the improvement of these procedural rules? What was the reason for unilaterally violating that?

● (1020)

Hon. Karen Redman: Mr. Speaker, I would concur that there is a collegial attitude in that these provisional Standing Orders were adopted unanimously.

My colleagues, who are whips of all parties of the House, speak on an almost daily basis, and I would underscore that there is a time imperative in order to make these Standing Orders permanent.

I am thrilled to hear that the government is in concurrence with the fact that these are valuable provisional Standing Orders and indeed, should be made permanent Standing Orders. That would lead us to assume that achieving unanimous consent for these to be made permanent should be an easy task to accomplish.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, under the rules of Parliament, within 60 sitting days of a new Parliament, there should be a debate in the House with regard to the Standing Orders. This is the opportunity of members not on procedure and House affairs to express their views on this matter.

That item had still not come up. I assume it has been deferred for good reason. I wonder if the member could advise the House as to whether or not the adoption of these rules permanently would impinge on the ability of other members to make commentary on changes or proposed changes to the Standing Orders.

Routine Proceedings

Hon. Karen Redman: Mr. Speaker, my hon. friend is becoming somewhat of an expert regarding the procedures and orders of the House of Commons.

No, as I stated in my speech, it was only four months after Confederation that Standing Orders were changed and they are under scrutiny and review all the time. My understanding is that if these are made permanent, that ongoing revision and scrutiny would always be available to the House should members choose to unanimously deal with any changes.

Hon. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, at the outset of my remarks today I would like to indicate to the Chair that I will be splitting my time with the member for Regina—Lumsden—Lake Centre.

This has been debated in the procedure and House affairs committee at some length over the past few weeks. I must start out by saying, as I did in my remarks when the chief whip of the official opposition brought forward this motion, that I am actually quite disappointed, disturbed, and a little annoyed by the tactics employed by the official opposition in this regard.

My colleague just referred to the process in his intervention and question to the official opposition whip. As he laid out, and as I will reiterate, it is not that we are opposed to any or perhaps all of these provisional Standing Orders. The chief opposition whip laid out in some detail the process that led to part of the Standing Orders that the House operates under and I concur with the detail she provided.

These provisional Standing Orders came about through negotiations in the last minority Parliament, the 38th Parliament, in which the Liberal Party was government and the Conservative Party filled the role of the official opposition. They came about through negotiations initially between the opposition parties and subsequently with the government. They were adopted unanimously on February 18, 2005, as the opposition whip indicated.

They had an expiry date because they were provisional and the tradition of the House is that when we adopt things like this we try them out for a while, take them for a test drive as it were. She is quite right that written into the use of these provisional Standing Orders was an expiry date of 60 days into the following Parliament, which is the current 39th Parliament. They were due to expire somewhere around October 10, 2006, which was a week or so ago.

This is what I find so disturbing and annoying. As I said at committee, the House must operate on a basis of mutual respect and trust. We must have that especially between the four House leaders of the four parties and the four whips, I would argue. I have had the very distinct privilege and pleasure to serve four times as a whip and once as a House leader, so I think I speak with some authority and experience in the role of a caucus officer.

I hold very strongly to the tenet that one's word is one's bond. That is the way I was raised in northeastern British Columbia, Fort St. John in my riding. That is how I was raised on the farm. That is what my parents taught me. I have tried to bring that to the House of Commons in everything that I do. One's word is one's bond. We simply must as House leaders, whips and I would argue deputies as well, have the responsibility on behalf of Canadians to keep this

place functioning. We must have that mutual respect and trust between all House officers of the four respective parties.

What unfortunately has happened in this particular process is that this trust has been broken, hopefully not irretrievably but it has been broken. Allow me to explain.

When it was getting closer to the expiry date of these provisional Standing Orders, the opposition brought it to our attention at the weekly House leaders and whips meeting. There is a weekly meeting, as you would know, Mr. Speaker, and I see you are nodding, as you served as the House leader for quite some time for the New Democratic Party.

We all know that you are very familiar with the process where the four House leaders, four whips and their senior staff meet once a week to decide on the agenda and how to conduct business in the chamber. We meet behind closed doors because we have to take the partisanship out of it and we have to work as cooperatively as possible in the best interests of all Canadians.

• (1025)

So what happened? On the meeting that was held on September 19 we talked about this. I think it was the government House leader who brought it to the attention of all parties at that meeting, because it had been raised earlier by the opposition.

On September 19 we came to an agreement. How do we know and how is it proven that we came to an agreement? Because the very next day, with unanimous consent and support, the government House leader brought forward a motion in this place to extend those provisional Standing Orders to November 21 to give us time to work through it.

The agreement was that the senior staff of the House leaders would get together. We anticipated that during the Thanksgiving week break from parliamentary duties they would get together and discuss how we could move this forward, and any possible amendments, because there was some consideration for amendments that we have raised.

The Clerk of the House of Commons herself had some suggestions for wording, not to change the intent, and I want to be very clear about this. It was not to change the intent of the provisional Standing Orders, but to perhaps make them work more effectively for all parliamentarians and for the institution itself.

We wanted to consult with the Clerk. We wanted to have our senior staff meet and work through these provisional Standing Orders, certainly well before the extension of the deadline to November 21, and come back to the House with these provisional Standing Orders, amended in a way that we all agree to, just as we did on February 18, 2005, and by unanimous support, with no debate, to just pass these and make the necessary changes.

Routine Proceedings

Why I am so upset, as I have said, is because this House, to be functional and to operate in an effective manner, must be based on mutual respect despite our political differences and our partisan differences from time to time. Mr. Speaker, you know it, I know it, and anyone who has worked here knows it. The reality is that now this trust has been broken, because we had an agreement, and the official opposition, I would submit, for partisan reasons broke its word. That is the reality. The chief opposition whip knows it. There is no logical reason.

My colleague asked her the question. When the deadline has been extended through unanimous support, unanimous agreement, why is there this rush all of a sudden? She knows, as I know, that this is all about payback because procedurally we used to use a few processes in the House to try to push our agenda forward.

I have served almost my entire career in opposition. I know that procedurally, when one is in opposition, one uses any Standing Orders and processes that one can try to promote one's agenda and stymie the government. We understand that, but not at the price of breaking one's word. That is the point. The point is not the provisional Standing Orders themselves although, as I have laid out, there are some minor changes that we would like to see. What the reality is, and the more important issue, is the breaking of one's word.

I submit that at the next House leaders' meeting, which is this afternoon—it is held every Tuesday afternoon—what is the point in trying to reach agreement on how the agenda is going to move forward if the next day or the next week we find those agreements broken? The House cannot operate this way.

I know, Mr. Speaker, because I have the utmost respect for you and the Chair in all the roles that you have played. You are the dean of the House. You have been here longer than any other sitting member of Parliament. I know that you know this better than I, this need for this trust and respect so that when people commit to something, they are committed to it. That is the issue that has to be dealt with today.

I understand that I have about one minute left. Time goes so fast when one gets emotional about these types of issues.

● (1030)

Mr. Speaker, let me say that in all of my 13 years in this House I have always tried to conduct myself that way. I have learned from some of the veterans, people like you, and people like past Liberal House leader Don Boudria, who conducted themselves in that manner, and that is the way I have tried to conduct myself.

At the end of my remarks, I would like to amend the motion today.

I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following:

the Seventeenth Report of the Standing Committee on Procedure and House Affairs, presented on October 20, 2006, be not now concurred in, but that it be recommitted to the Standing Committee on Procedure and House Affairs with instruction that it amend the same so as to recommend that Standing Order 106(4) be amended by replacing the words "five days" with the words "ten days".

● (1035)

The Deputy Speaker: I might say at this time that there have been consultations with the Table and this amendment has been found to be in order. We shall proceed with the debate on the amendment.

First, however, we will have questions and comments on the speech given by the hon. government whip.

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I do appreciate the comments that are made. I have to say, off the top, that I believe my hon. colleague is an honourable man. I think that is why we refer to each other as honourable members. I believe that all members of this House are honourable members.

I said in earlier comments that we speak on a daily basis about a myriad of things, such as how many speakers we are going to have. This place operates on the fact that whips talk on behalf of their parties to their counterparts. I find it of more than passing interest that when this motion was tabled in the procedure and House affairs committee, there was after that an intervening break week and I actually placed a call to my hon. colleagues suggesting that perhaps we needed to get this dialogue started.

I would like to underscore that we do speak several times on a daily basis and we are all busy people. This topic, in any kind of detail, had not come up. I understand that the third opposition party actually made an overture to the government asking when we were going to talk about these, recognizing that there is a time imperative, that there were two break weeks, and, I would point out, that these provisional Standing Orders expire the Tuesday after the November break week when we are all in our constituencies.

I had no return phone call, which I found a little puzzling. There also was an opportunity at a House leaders' meeting, as my hon. colleague has stated, which happen on a weekly basis. This issue was not raised by the government, so after that our House leader actually raised it with the government House leader, saying that perhaps this was something that we needed to have a conversation about. It actually did not come into effect until some of my staff contacted some of the government staff. They indeed did have a one hour meeting before the Thursday procedure and House affairs meeting.

I find it interesting that the chief government whip has put forward this amendment when we had talked about, in committee, how this may be something we could reach consensus on. There were other opinions. One of them expressed by one of my fellow opposition colleagues was the fact that when the government was then in opposition it used the five day rule quite effectively to bring in committees when we were dealing with things that were of a somewhat controversial nature. The public accounts committee met on very short order, I think, as did the foreign affairs committee. It is a tool that has been of use to the government when it was in opposition, so it needs to have some kind of discussion.

Routine Proceedings

Again, I find it significant that these things all came out after we requested to have a meeting, when clearly this motion was before the procedure and House affairs committee, which we did not force having a discussion on. It was made very clear to us by the government members that they were planning to filibuster this. As a matter of fact, I appreciate the candour of one of my colleagues opposite in letting us know. So they had notice of motion, which is not required for procedure and House affairs, that there was a time imperative and it is interesting that there was no action—

• (1040)

The Deputy Speaker: I am sorry to interrupt the member for Kitchener Centre, but she has gone on for some time, so much so that I thought she was making a speech. The hon. government whip.

Hon. Jay Hill: Mr. Speaker, let me deal with the issues that were raised during the intervention by the official opposition whip. She tried to defend this action undertaken by the opposition by stating that during the break week she made a telephone call to try to reach me.

Again, I have had the great pleasure of being elected to represent the people of Prince George—Peace River on five separate occasions now. My riding is huge. It encompasses over a quarter of a million square kilometres up in northeastern British Columbia. It runs from the central part of the province all the way to the Yukon. I can tell members that because of my role as whip, and my constituents understand this, when I have a break week I am on the dead run from one end of the riding to the other. I try to get to as many events as I can because of the distance my riding is from Ottawa.

I know that she tried to reach me. During that week, I was unreachable by cellphone in many cases. The Rocky Mountains cut my riding in half. There are more regions of my riding that do not have cellphone coverage than regions that do. I was in I think five different cities and towns on five different days. I guess that is, by way of an excuse, my reason for not returning her call, but the pertinent point here is that she had already moved her motion prior to that.

On the Thursday prior to the break week, she moved her motion to shove this thing through without even consulting with the government, after having agreed to the process of extending it to November 21. That is the point. Yes, we did debate it at some length, and the motion was held over during the break week, but she moved the motion on Thursday, October 5. She still has not offered any credible reason for doing that when all four political parties had agreed to a process of dealing with it. That was our understanding. A senior staffer for the New Democratic Party contacted our senior House leader's staff to try to set up a meeting for the break week, asking when they were going to get together to discuss this.

It is not like there was no communication. At any point in time prior to her moving this motion to ram ahead with these provisional Standing Orders, she could have called. She could have called before the House even rose for the break week before she moved her motion. This was the point that I and many colleagues made at that meeting of the procedure and House affairs committee.

She went on to say in her intervention just now that perhaps we could have reached consensus. We did reach consensus. That is the whole point. We had reached consensus at the House leaders'

meeting on how to deal with this issue. It was only the subsequent action of the official opposition on reneging on its word, going back on its word and breaking the trust that has to exist between House leaders and whips, that brought us to this position today.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member is like most members, and obviously everyone in here is busy trying to do the best job possible for their constituents. I would like to ask the member a question. I think he has to help the House understand the fundamental question. There are provisional orders and the question is whether or not they become permanent. If they do not, if there is no appetite for these provisional orders to become a permanent part of our Standing Orders, then we will have some consequences. It means that certain things we have been utilizing for some time now will be pulled off.

I would like to get an idea from the government whip as to whether or not there is a plan to make the necessary proposals to reinstitute or to make recommendations for changes to the Standing Orders that would take into account some of those provisional orders, but I am more interested in which of these provisional orders the government would not be supportive of instating into the Standing Orders permanently.

• (1045)

Hon. Jay Hill: Mr. Speaker, my hon. colleague from the Liberal Party lays out, quite rightly, the process that is normally followed. Even in the Standing Orders there is a requirement that the Standing Orders be reviewed from time to time. Along with the other three parties, I think we are all supportive of that.

However, my amendment deals with one thing on which I thought we had agreement. I raised this at the procedure and House affairs committee when, according to the chief opposition whip, we were filibustering. It is arguable whether or not we were filibustering, and some people might consider that, but we were making a lot of points. One of the points I made, in response to my hon. colleague, was that Standing Order 106(4) be amended, which is the purpose of the amendment that I just introduced into the House of Commons and which we are presently debating.

We believe that the five day requirement, five days being the time that a chairman of a standing committee of the House of Commons be requested by a certain number of the members to hold a special meeting, be changed.

We believe, especially during the break times, the three months of summer recess and the six week winter recess, that if that were to fall over a holiday period, such as Christmas or July 1, three days are holidays and we would end up with only two days to get people together, agree on a date for the meeting and call the meeting. We believe it would be a minor change to extend that time to 10 calendar days from the existing 5 days. It would be a sensible solution to that problem.

Routine Proceedings

We presented that and I believed that all the opposition parties agreed with it. Since it does not substantively change the intent of the provisional Standing Order, I thought we could move ahead with that type of change. The other four political parties may have amendments that we have not even had a chance to discuss yet.

I also pointed out that the clerk had indicated to me that she wanted to make some minor changes to the wording just to make the Standing Orders more effective and work better for all of Parliament.

[*Translation*]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, it seems to me that it is easy to solve the problem before us, and I do not understand the government's strategy at all. The idea is to make a major change to our Standing Orders official. This change has been tried over the past year or more.

Before we get to the bottom of things, hon. members need to understand that the sole purpose of the amendment that was just introduced is to delay acceptance of the report of the Standing Committee on Procedure and House Affairs. That is its sole purpose: to make sure these amendments to the Standing Orders are not accepted within the timeframe allotted by the House, thereby giving the government the wiggle room it needs to postpone consideration of this issue by the House of Commons indefinitely.

For the benefit of those who are watching, all the amendments before us here were introduced by the Conservative Party, by Conservative members—with rallying speeches and talk of consensuses and discussions among the parties—when the Conservatives formed the official opposition. I would not want the people who are watching to think that the Liberal opposition, the Bloc Québécois and the NDP are trying to pull a fast one on the government. One gets that impression, listening to the government whip, but it is absolutely not true.

I have here a memo dated September 7, 2004, in which the then opposition leader, now the Prime Minister, asked the leaders of the Bloc Québécois and the New Democratic Party to proceed immediately with the amendments to the Standing Orders that have been introduced. Everyone who is watching needs to understand that all the amendments before us today originated in the office of the Conservative leader a year and a half ago, when he was the leader of the official opposition.

We are not trying to turn everything upside down or put the government in a difficult position. We are trying to make permanent something that all the parties had agreed to try temporarily, at the suggestion of the then leader of the official opposition, who is now the Prime Minister. We want to implement something that was introduced by the Prime Minister.

Let us stop this hypocritical chatter suggesting that we are trying to quibble, to engineer a conflict. This is something that was done with the consent of everyone and that, I repeat, originated from the office of the current Prime Minister when he was the Leader of the Opposition. Moreover, he worked on this with the same advisors he has now. I have the advantage of being an old parliamentary leader; I have been here for a while and I have seen them at work. These same advisors are still around today. They are the ones who drafted the changes to the Standing Orders, and pleaded for the Bloc Québécois and the NDP to support them. They are also the ones who pleaded

for the Liberal government at the time to approve these regulatory changes.

● (1050)

Today, we are hearing that it is terrible, outrageous, that the spirit of cooperation is gone and that our workings had always been perfectly harmonious. I was about to use bad language. There is a limit to spewing nonsense. These provisional Standing Orders make the life of the official opposition easier. Indeed, this change to the Standing Orders allows the official opposition to better play its role. Take for example this debate we are having today at the instigation of this Parliament's official opposition; it could not have been held had the rules not been changed.

I would like the people watching us to suggest what they would call a group of politicians who say one thing while in opposition and the opposite once in government. That is what we have here.

The very people who proposed these changes to the Standing Orders and convinced everyone to approve them are now reticent to say too loudly, for fear of ridicule, that they oppose the Standing Orders. Still, they keep looking for ways to prevent these Standing Orders from being permanently, officially adopted.

Do they think we cannot see right through them? I was not born yesterday. I am most senior parliamentary leader in this House. It is clear to me what they want to do: they want to buy time so that these provisional orders will fade away come mid-November. Then we would no longer be able to debate them here in this House or to consider this report, because it is in the new Standing Orders. After mid-November, we will no longer be able to discuss this issue. Under the old Standing Orders, only the government can put the debate back on the agenda, if and when it chooses to do so.

I doubt the government has any intention of bringing back the debate. It no longer wants to hear about changes to the Standing Orders even though it proposed them when it was the official opposition. This behaviour is unacceptable. There will be collaboration in this House once we start talking to one another.

I have been a parliamentary leader for 13 years. Never have I had such little discussion with my counterpart opposite and my colleagues in opposition about parliamentary strategy. These people talk about dialogue. They do not want anyone to talk about the strategy they themselves came up with when they were in opposition. I would like to tell the Liberal opposition, which was in power at the time, that it could have put up more of a fight against the application of this Standing Order. The government House leader at the time, Tony Valeri, was aware that we could force their hand, in a way. So he invited us to discuss a number of things, and we discussed them. This Standing Order was the result of that discussion.

This is a big improvement that, among other things, makes it possible for our friends in the NDP to have an additional opposition day and enables Parliament to vote on all opposition days. All parliamentarians, all citizens with elected representatives in the House of Commons, want motions introduced in the House to be voted on, passed, or taken into consideration by all members of the House. That is a big improvement for democracy.

Routine Proceedings

In return, members of the opposition agreed to make known in advance the subjects that would be debated here in the House of Commons. Why would we not accept such a change? They want to muzzle the NDP and remove one of their two opposition days; they want to remove the right of the official opposition or the Bloc Québécois to bring motions to a vote. That won't hold water. That is the reason why when we are in opposition, we are better parliamentarians.

●(1055)

Indeed, these amendments, which are all excellent and essential to the good operation of Parliament, were introduced by a Conservative government in opposition.

It appears that we will be obliged to ask them to return to the opposition to regain those qualities that they had only a few months ago. That is the reality.

I would simply like to say that my colleague, the whip, makes me blush with shame, by proposing a motion such as this one, five days instead of ten.

Do you know what we told them? We will tell you: yes, there are some details that we are ready to discuss. There are some small points that we could examine if you like, now that you want to talk. There are some little things that we can do. We are prepared to examine the amendment to five days from ten.

Let us adopt the new Standing Orders as a whole, because they are a great deal broader than this little motion, than this small change that is proposed.

This is a pretext. It smells like a pretext. Let us adopt the new Standing Orders. Everybody likes them, except the Conservatives who produced them. Nevertheless, they will have to live with them. Sorry but when you are virtuous in opposition, you can also be virtuous when you are in government. I apologize to the Conservatives. They will have to live with their Standing Orders, and we will make them swallow it because we are all agreed that this is a good standing order; it is a one from which no one gains any special advantage.

We believed that the Leader of the Opposition at that time, who is now the prime minister, had produced a good text, which we supported for that reason, and which the Liberals and the NDP agreed was a good text, and because Canadians are better served by a good text. When we have one, we adopt it; and we are going to adopt it. That is what we want to do.

If there are changes to be made, from five days to ten, or commas, or minutes to move, we will be as open as the Liberal government was at the time to accept this text. We will have the necessary openness and we will ensure that the citizens are better served than ever. We will not allow the government to prevent us from adopting what we consider to be a good text. We will vote against the motion, against the amendment that says this will be sent to committee. The government wants to buy some time. We will not allow it to buy time at our expense—and especially not at the expense of the Standing Orders. And I asked citizens, throwing it back in their face: what do you think of a group of parliamentarians who behave one way when they are in opposition and another way when they are in power?

It was funny at the time to the Leader of the Opposition, the now Prime Minister, and his group of advisors, and the whip who was leader, and the leader who was whip. It was the same clique. They thought it was funny to impose this on the Liberal minority government. They found it funny and they liked it. They were pleased and happy that the Bloc and the NDP were in favour of it.

Today, we are the ones who find it funny to throw back in their faces the Standing Orders they came up with at the time and on which we collaborated. I am sorry, but this allowed the opposition to do its work better and I hope it does not bother the government to think that if we did our work better as the opposition, this might prevent it from making the gaffes that would send it straight to the opposition benches at the next election. The Conservatives should consider themselves lucky: things are working, the House is doing well, the Standing Orders are a good text and there is unanimity among the other parties to keep what they came up with in the first place.

I call this great unanimity. They should vote with us instead of using stalling tactics to put off this motion long enough so we can no longer pass it or have the chance to force them to accept it.

●(1100)

[*English*]

Hon. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I really do not know where to begin. I guess I will begin at the beginning.

My colleague, the House leader for the Bloc Québécois, says that the amendment I have presented is dilatory. He says that I am embarrassing myself with it. It is quite the contrary. I would suggest that it is the opposition members that are embarrassing themselves on this issue.

He said at one point we were all in agreement as to these provisional Standing Orders. Yes, we were all in agreement. We were also all in agreement on how to proceed, and that is the point. The point is not whether we agree with the provisional Standing Orders as they are.

I used to have a tremendous respect for the Bloc Québécois in how it dealt with the day to day operations of the House. When the House leader for the Bloc Québécois states that we all are in agreement with the provisional Standing Orders, yes, I agree, but were we not also all in agreement on how to proceed?

If we were not all in agreement on how to proceed, then why in heaven's name did the Bloc Québécois give its consent on September 20 when my colleague, the hon. government House leader, presented the motion to extend these provisional Standing Orders to November 21?

If the Bloc Québécois was not in agreement, I do not believe for a minute it would have allowed us to present that order. My colleague, the government House leader, would never have presented an order unless it was unanimously supported, which it was because that is how we operate in this place.

Routine Proceedings

At the weekly House leaders meeting, as I said in my earlier remarks, we decide on a process. He asks, why let the government stand in our way? It is not standing in the way. These provisional Standing Orders are in effect today and right up until November 21. The government is not trying to prevent their adoption. It is trying to improve them as per the agreement that the Bloc Québécois member agreed to at the September 19 House leaders meeting, as did all the members present.

I ask him this question. If we did not have an agreement on September 19 that was exemplified and evidenced by the motion that was brought to the House the very next day to extend these provisional Standing Orders to November 21, then why would the House leader of the Bloc Québécois have agreed to that process?

• (1105)

[*Translation*]

Mr. Michel Gauthier: Mr. Speaker, that should not take long to sort out.

True, we agreed to an extension of these Standing Orders to November 21. I agree with that. However, the only new element that the government has brought to this file since this morning is an amendment proposing to replace the words “five days” by “ten days”, when a committee is convened by the majority of members. This is the government's only contribution. I therefore have a question for the government and I expect an answer.

What exactly does it not agree with?

Does it no longer agree with the fact that the Prime Minister or the leader of the official opposition can be questioned after a speech? That is one of the provisions of these Standing Orders. Does it no longer agree with the fact that members may share their time? This is another result of these Standing Orders. Does it no longer agree with the fact that motions to adopt committee reports can be considered here and resolved once and for all, rather than being left in the hands of the government? That is one of the provisions of these Standing Orders. Does it no longer agree with the fact that five hours of debate, instead of three, are required for referral to committee before the second reading of a bill? That is one of the provisions of these Standing Orders. Does it no longer agree with the fact that the NDP has an additional opposition day and that all opposition motions on such days are votable? That is one of the provisions of these Standing Orders.

These Standing Orders can only be beneficial. The only thing the government has come up with to persuade us that we should not adopt them quickly today is that the timeframe for convening a committee should be extended from five days to ten days, when a majority of members call for it. Well, this seems fishy to me.

What provisions does the government not agree with? I would like it to rise and tell us, to present amendments, indicating what sections it does not like. Yet, the people listening to us feel that everything is excellent. Facts are facts, and these are the facts.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I listened carefully to the comments of the government whip and one of the things he said is that he used to have tremendous respect for

the Bloc member with regard to his participation in these discussions on Standing Orders et cetera.

I think it is indicative that there has been a breakdown in the collegiality of the mutual respect and collaboration. That is unfortunate. We have ways to deal with these matters. We had a special legislative committee established to deal with changes to the Standing Orders. We had the work, I think the member would remember, with regard to the modernization of Parliament that led to many changes in the Standing Orders.

We have functions here, but it concerns me that the issue has become an issue of trust and cooperation, and we need to address it. We need to come up with a resolution of this and deal with it outside of the chamber because the chamber has the business of the nation with which to deal.

I would ask the member if he has some thoughts on it simply being not a matter of voting against the amendment. I think we also have to use the tools available to us to determine whether or not there is a way in which we can have a mutually agreeable strategy, to have a further consideration of the status of the provisional Standing Orders, and to have some consensus on whether or not there are items there that can no longer enjoy the consensus support of the House. If there are other items to be done, they have to be dealt with. What is the mechanism? What is the timeframe and how are we going to do this so that we can re-establish mutual respect and collaboration?

• (1110)

[*Translation*]

Mr. Michel Gauthier: Mr. Speaker, I consider that to be a laudable effort. It is very kind of the member to try to bring his own contribution to the debate. However, I will point out to him that it is not my responsibility to raise points on which there is no longer consensus. In my view, and in the view of most of the people I have consulted, there is still consensus regarding the reform: we all want it to be applied. There is therefore no problem. That is the answer: there is consensus on all points.

The government whip is therefore the only person who does not support this. I understand why this may be, since there are some things he may not be happy about. But why, in his amendment, is the only change he is proposing for the committee that notice go from five to 10 days, knowing that a majority of committee members want to meet?

This is a detail. We can agree on that with no problem. But still, if there is no consensus on such a number of things, it is not my job to say so. In my opinion, there is consensus on everything and I support all aspects of it. The NDP and the Liberals also support all aspects of it. Only the Conservatives do not agree on all aspects. It is therefore up to them to tell us so.

However, let them not tell us that this is a matter of going from five to 10 days and that this question absolutely has to be examined. This thing is a dog's breakfast. They are looking for reasons to try to delay adoption of the Standing Orders.

Routine Proceedings

These Standing Orders were instituted by the Conservatives and represent one of the most worthwhile things they did when they were in opposition. We like these Standing Orders and we will be keeping them, at least as far as I am concerned. If there are other things that the Conservatives do not like, let them say so. Myself, I do not see any at the moment.

[*English*]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I listened very intently today to the discussion. It is about the operations of the House and how we move our democracy forward and has become a very emotional issue. The chief government whip expressed himself as being disappointed, disturbed, annoyed and upset. He also said that he used to have tremendous respect for another member in the House and that there would be a price to pay for what is happening.

My concern is how do we move beyond the emotion of this particular circumstance and look at the amendment that is specifically being tabled here today, that is, moving from 10 days to 5 days. The rationale of the government was that it could conflict with national holidays or times of other holidays that would restrict the timing of addressing House of Commons business.

I am not aware of any request in the past that has had that conflict and I would ask the hon. member if he is aware of any because I do not believe we have even encountered that situation to date.

Hon. Jay Hill: Mr. Speaker, I rise on a point of order to correct the record. I never ever said during my remarks that there would be a price to pay.

[*Translation*]

Mr. Michel Gauthier: Mr. Speaker, I hope that there will be no price to pay because I will not tell you who will be sending the bill. We are going to agree on this. No one is going to pay the price, for having the right to debate the nature of Standing Orders. If there is a price to be paid, we will talk about it, but I will not tell you who will be signing the bill and who will have to pay it. That is the answer I wanted to give.

Very simply, I am not aware that there is any problem whatsoever. Of course, I tend to be available. During the time when Don Boudria was the Liberal House leader, we called each other four times a day. When it was Tony Valeri, we called each other four times a week. Now, unfortunately, we are calling each other four times a month. Certainly we understand each other less. However, in all sincerity, I know of no problem and I have never been told of any. The Chair is indicating to me that I have no time left for the answer.

[*English*]

I am sorry but I do not have the time to answer the hon. member. I will speak with my friend if he comes outside.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I would like to share my time with the hon. member for Vancouver East.

I want to look at the amendment to the Standing Orders and the provisional Standing Orders that were referred to the Standing Committee on Procedure and House Affairs. A Liberal motion

proposes that the Standing Orders and the provisional Standing Orders be made permanent.

There were discussions in committee. The Conservative Party made some suggestions. The Clerk even suggested that some wording could be changed because of technical problems and things of that kind. Then there was the Standing Order concerning the five-day rather than ten-day time frame for convening committee meetings. But it was very clear. As a committee member, I would have agreed to extend the time frame to ten days. I can say publicly that I was prepared to make this compromise. However, we would have had to be able to meet again in committee in a week in order to proceed.

The committee is its own master. It voted for this to be submitted to the House of Commons. The various parties clearly do not agree with the government. I want to join the leader of the Bloc Québécois in maintaining that the parties currently all agree on keeping the time frame at five days. The NDP is also in favour of a five-day time frame. We do not have any problems with that.

Let us assume that the committee really is its own master. I believe that all the committee members are reasonable people. If some day a special meeting of the committee is called when we are not here in the House of Commons—in July for example—I am sure that the members are reasonable enough to know whether they will be able to be there or not, whether they will be able to have witnesses on time or not. I really do not see where there could be a problem. We have been operating under these Standing Orders for a few years now—under the previous minority government as well—and have not had any problems that we could not live with.

It is important to agree on the five-day time frame. It is also important for committee members to be able to call a special meeting of any committee of the House of Commons because some things cannot wait ten days. Actually, it was the Conservatives when they were in opposition who convinced us of this and persuaded us that this Standing Order would be good.

For example, if the Standing Committee on National Defence decided to call a meeting very quickly because of an emergency of some kind, we would certainly not want to wait ten days while our country was at war and certain decisions had to be made in committee. There are all kinds of committees that can have emergencies and have to be able to meet.

For those who do not know and for those who are listening, how often has a committee decided to call witnesses on a Tuesday to appear on the Thursday, thus giving only two days' notice? How many times has it been said on Wednesday that they would like such and such a witness the next morning and every effort is made to have the witness appear before the parliamentary committee?

Routine Proceedings

Thus, there is no problem. Then why propose an amendment here, today, when in committee we very clearly stated that we would adopt permanently the amendment to the Standing Orders and, if there were any problems, we could go back to the Standing Committee on Procedure and House Affairs, propose a motion and resubmit a recommendation to Parliament? If there were any technical problems we would solve them if necessary. However, we must ensure that these Standing Orders are adopted immediately. They must not be set aside or lost in the fuss such that we suddenly find ourselves without our Standing Orders.

The majority in Parliament should be able to decide. It decided by introducing the motion in the House of Commons. It is clear that we must move forward. For that reason, personally and as NDP whip on the Standing Committee on Procedure and House Affairs, I can say that the NDP is against the amendment. We want the motion to go ahead in order to make the Standing Orders permanent. Then, if changes are required, we will make them after. That can be done in the near future and quickly.

• (1115)

[English]

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I want to make it perfectly clear to this chamber and to all Canadians who may be watching that the issue is not about whether the provisional Standing Orders should be made permanent. The issue is that members of the official opposition broke their word.

At a House leaders meeting on September 19, everyone agreed that the current provisional Standing Orders should remain in effect until November 21. Until that time, senior staffers from all parties would get together and examine the provisional Standing Orders to see whether any amendments should be made. They would report back to the procedure and House affairs committee and then the committee would determine whether to make the provisional Standing Orders permanent or permanent with amendments.

The following day, on September 20, to indicate that the agreement was made, our House leader introduced a motion seeking unanimous consent, which was granted, to extend the provisional Standing Orders until November 21. The truth is indisputable that an agreement was made and accepted by each House leader. However, on October 5, the chief opposition whip brought a motion without consultation to the committee asking that the Standing Orders be made permanent now, not wait until November 21 and not wait until all senior staff had a chance to look at the Standing Orders.

The issue is that the opposition parties broke their word.

Does my hon. colleague not believe that in this House we need to honour our word?

• (1120)

Mr. Yvon Godin: Mr. Speaker, I believe we should honour our word but when three parties say that they do not feel there was an agreement that nothing would be done until it goes through in November, it does not mean that they cannot come through with a motion like the one here.

That happened in September. We are almost at the end of October and no one has yet called a meeting with the staff of each party to try to come to an agreement. Time goes by. We are now at the end of October and almost at the beginning of November. When is the staff going to talk? When will they put those people together? It was the job of the government to do that.

With all of that aside, it does not stop now because the representative of the government just said there was nothing wrong with the rules themselves, that the only problem was with the break of the intention. We are in the right place to fix it, which is here in this House of Commons. Let us vote on it, make it a permanent rule and then we can go back to the procedure and House affairs committee, sit down and look at what can or cannot be changed.

I believe that is the way to do it because people do not believe that they were not honest. It is a matter of how it is interpreted. If we look in law, for example, we all have different ways of interpreting a contract or a bill but that is the way it goes and this is the way to fix it.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the hon. member has put his finger on the essence of what is being discussed. The House is still the master of its own fate and the question of whether or not there is concern that we may not get to this issue is a valid one.

I wonder if the member could advise the House if he is aware of any indication by any government member of a measure of concern with regard to any of the provisional Standing Orders that we are seeking to make permanent. Is there any indication on any one of those provisional orders?

Mr. Yvon Godin: Mr. Speaker, the only one we know of was supposedly a small technical one which does not appear in the amendment. That is the one I am worried about. If there are technical problems with the provision, we should talk about that amendment, not about the five days and ten days because we do not see a problem with the five days. The majority of members in the opposition do not see a problem with the five days. We are more worried about the technical one and that is not what the government brought forward. If we have technical problems with the provisions, that is what we should be talking about. If the motion goes through, I hope we can go back to the procedure and House affairs committee right away to look at those technical problems and fix them as soon as possible.

• (1125)

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to have an opportunity to speak to the 17th report of the procedure and House affairs committee dealing with the provisional Standing Orders, which are the changes that were made to the Standing Orders and hopefully making the provisional Standing Orders permanent.

I heard the parliamentary secretary say to my colleague from Acadie—Bathurst that the issue is not the provisional Standing Orders, that the issue is that the official opposition broke its word. I really want to put this to rest. That is clearly not the issue today. The issue is whether or not the provisional Standing Orders should be made permanent and whether or not they should go forward.

Routine Proceedings

To go back into the history of the subject, we should be very clear that when these items were discussed in the House leaders meetings there was agreement that there would be discussion. That discussion did not take place, but there is nothing to preclude it from coming up at the procedure and House affairs committee, which is an entirely appropriate committee for that kind of discussion to take place.

I find it curious that the government would now say that this is about breaking faith or breaking an agreement. Clearly that discussion was had in the committee. That is why we are here now with this report today. I would just leave that aside, because I think it is a secondary matter. The issue is whether or not the provisional Standing Orders should be made permanent.

From the NDP's point of view we are in agreement that they should be made permanent. They were first brought forward in the last minority Parliament. Ironically it was discussions among the three opposition parties at that time, including the party that is now the government but was then the official opposition, the Conservative Party, which looked at the Standing Orders and brought forward these provisional changes in the last minority Parliament.

Why was that done? The changes were brought forward on the basis that there was agreement among those three parties at the time to actually make this place more democratic. Mr. Speaker, as you well know, being the dean of the House, you have seen the erosion over the decades of democratic practice in this House.

This was actually an attempt by the three opposition parties in the last minority Parliament to look at the Standing Orders to figure out where there was some agreement on what could be done to make some of the procedures and the practices that we live by more democratic and more open. They were important changes. In fact, they were adopted by the last Parliament, but they were not permanently set; they were set as a provisional order.

In terms of whether or not the changes themselves should become permanent, I think they are good changes. Over the last couple of years we have had a great deal of experience with the provisional Standing Orders. We know how they work. I think there is a very strong consensus, at least among three parties, that they should remain.

One of the provisional Standing Orders is that all opposition days should be votable. This is something that is very important to the NDP. In the permanent Standing Orders not all of the opposition days, or supply days, were votable. It seemed to us to be very forward looking to make supply days, opposition days, votable. We have now done that. It is considered to be acceptable and I hope that it is not under dispute.

There is also the setting of the supply days in a regular cycle to ensure for example that our party gets three opposition days. This is something that did not happen before as a smaller party. It is a very important change. It gives a more level playing field to the NDP to ensure there is an additional opposition day. Previously for us this was always very much in question; sometimes we would get it and sometimes we would not. These changes ensure that we get that third opposition day.

●(1130)

The second item is the debate and vote on motions to concur in committee reports. This is very important. This item is likely one which the government now wishes it had not agreed to. It is very interesting how positions can change when in opposition or in government, but at that time, the opposition, the Conservative Party, was very eager to get this change through.

We have had a great deal of experience with it. The idea that a committee can bring forward a report, just as we are doing today, and have a debate on it in the House and then a vote really gives voice to the work that members undertake in committees. Members on all sides have experienced a lot of frustration in that the work that is done in committee, which is often very solid and good work, does not get any expression in terms of being adopted or brought forward in the House. That provisional Standing Order allows for that to happen.

Many reports have been brought forward and have had a full debate in the House, and then we have actually voted on them. It has provided very good continuity between the work in the committee and what comes into the House. It provides members with a sense of encouragement that the work they undertake in committee can actually be brought forward to the House and voted upon.

In that way the provisional Standing Orders are quite substantive. In my opinion the provisional Standing Orders improve the practice and the democracy in the procedure that we use in the House of Commons. Do we need to go further? Absolutely.

Today the NDP held a press conference. We put forward a motion in the procedure and House affairs committee to urge the committee to consider a report from 1992, 15 years ago. I am sure members will remember that report. It was a report of the special advisory committee to the Speaker. It put forward a number of very sensible, intelligent recommendations about improving decorum in the House.

We have certainly seen the situation in the last week, but even since the beginning of this Parliament, there has been a sense of chaos. There has been a lack of respect for each other, a level of debate that has gotten down to name calling. Sexist and racist remarks have been made in this House.

The NDP was very interested to take that report off the shelf, so to speak, to dust it off and bring it forward. That report from 15 years ago when John Fraser was the Speaker was never acted upon and it is time to bring it forward again. In the meantime, I think we can do our business by making sure that the provisional Standing Orders become permanent.

A lot more work needs to be done in terms of the Standing Orders, the procedures that we follow, as well as improving the decorum in the House. We are very interested in seeing another debate take place at the procedure and House affairs committee on this issue of the June 22, 1992 report to the Speaker from the special advisory committee. We hope it will generate further discussion about what we need to do as parliamentarians, what responsibility we need to take individually, within our caucus, as parties and as the government to ensure that this place reflects a much higher standard about how we do our business.

Routine Proceedings

I wanted to bring that issue up because it puts this debate in a broader context. I know that people who watch question period, who watch the debates in the House of Commons, or who visit the House and sit in the gallery are sometimes aghast at what takes place here.

The more that we can take these issues on, not in a way that is sort of dealing with celebrity politics, which is what we have seen in the last few days, but to deal with this in a serious, substantive way that focuses on the changes that need to be made, so that we can show the public that this Parliament is respectful, that it is about serious debate and that we actually confer, I hope, on the Speaker a greater discretion and mandate from the parties to actually keep order in this place.

I am sure that is something that this Speaker would agree with. I think a lot of people think it is long overdue. We will get to that. We have just introduced that at committee today. In the meantime, I think we can do our business by making sure that these provisional standing orders do become permanent.

• (1135)

An amendment has been put forward by the government which basically seeks to undo all of that by sending the report back to the committee. We will not be voting for the amendment because we think that the provisional Standing Orders should become permanent. I would say to the government that if there are some technical issues that need to be further considered, we are certainly open to doing that at committee. There is nothing to prevent the government or any other member of the committee from raising consequential issues and further debate around the provisional Standing Orders.

We are not prepared today to see this go down and be lost. We have an opportunity now to make them permanent. If we need to do more review in terms of technical issues, that is fine, no problem, but on the principle of what these provisional Standing Orders represent, we are behind them. We support them here today and hope that members of the House will support them as well.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I have to take issue with one of the NDP House leader's earlier comments in her presentation. She said that the issue really is not whether word was broken, that the issue is whether these provisional Standing Orders should be put into place now, should be made permanent. I would respectfully disagree with my hon. colleague. It is about the issue of trust was broken, that an agreement was broken. That is so fundamental to the operation of this place that I cannot stress strongly enough that that is the issue.

I will speak in a few moments when I make my presentation about the provisional Standing Orders. Quite frankly, it does not really matter to me whether the current provisional Standard Orders were made permanent without amendment or if there were some technical amendments. That is not the issue.

The issue is an agreement that was made by all four House leaders was broken. There is indisputable proof that it was broken. That is my point. I will go into far greater detail in a few moments, but my simple question for my hon. colleague is, does she not agree that there was an agreement made on September 19 at the House leaders meeting to keep the provisional Standing Orders in effect until

November 21 and that during that 60 day period between September 19 and November 21, staff members from all of the parties would get together to see whether amendments should be made?

Does she not agree that there was an agreement made on September 19 by all four House leaders to keep these provisional Standing Orders in effect until November 21?

Ms. Libby Davies: Mr. Speaker, I guess I and the hon. member will respectfully disagree because as I said earlier, I do not believe that the issue here, as the government would like it to be seen, is whether or not some agreement was broken. The issue here is whether or not the provisional Standing Orders should be made permanent.

Certainly there was discussion at the House leaders meeting about how to proceed on this matter. Certainly there was an understanding that we needed to have an extension, otherwise they would have run out much more rapidly. I do not remember the date, but the member says November 21. There is nothing to preclude discussions by staff, if that had happened, but it did not happen, or a committee legitimately taking up its business.

This is not really about agreements being broken. It is about the House doing its business. It was entirely appropriate that the procedure and House affairs committee should take this up if it so wanted, and that is what it is there to do, and bring it back to the House. That is exactly what happened.

I would suggest to the hon. member that we should focus on the real debate here in terms of the Standing Orders. If there are changes that the member wants to see, maybe we will hear that in his presentation in a little while, and it can go back to the committee for that kind of consideration. Clearly the issue here today is to vote on whether or not these provisional Standing Orders should be made permanent. We think they should be.

What is going on here is quite a big brouhaha that the government would like to make. Does the government think that other parties do not talk to each other? All kinds of discussions take place, at committee, at House leaders meetings. That is the nature of this place.

It is being dealt with in an open and transparent way at the committee and back here in the House. I fail to see what the complaint is.

Again, I would say let us focus on the debate here, which is saying to Canadians that we need to improve the way we do our business. We need to improve the way we conduct ourselves as members of Parliament. We still have a long way to go on that and that is what we would like to focus on.

• (1140)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the government whip has made the case that an agreement has been broken. Earlier it was referred to as an informal agreement.

For the edification of the House, could the hon. member advise the House whether this was an agreement with regard to deferring the decision on the Standing Orders until November 21 and on what date was that agreement reached?

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Ms. Libby Davies: Mr. Speaker, I do not remember the date of the meeting of the House leaders. There might have been a couple of meetings when this was brought up. That would be the nature of those meetings. Because they are generally closed meetings, I will not go into detail. However, in a new Parliament we have discussions about provisional Standing Orders and the fact that they will expire unless some further action is taken. There were certainly discussions about extending them so we could decide what to do. Those discussions have now taken place through the procedure and House affairs committee.

I do not think there has been any violation of any agreements. This has been done in a transparent and open way. We are now debating the provisional Standing Orders, and that is how it should be. I am scratching my head a bit about what the problem is. We are doing what we should be doing, which is dealing with this business, having this debate and making a decision as to whether these provisional Standing Orders are going to go ahead and become permanent or not. The debate and the vote will decide that.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I thank you for the opportunity to speak to what I consider to be an extremely important issue.

First, beyond the issue that we will be discussing for the next few minutes, there is something all Canadians should recognize as well. Despite what my hon. colleague from the official opposition, the opposition chief whip, has stated, the intent of this motion is not to discuss whether provisional Standing Orders should be made permanent. It is not even about whether an agreement was broken. The purpose of the motion today is the official opposition, and I suspect in concurrence with other opposition parties, clearly wants to hijack the workings of Parliament. The members of the opposition are using procedural tactics, which are available to them, to delay proper implementation of government legislation. They are using delaying tactics, in other words, to disallow full discourse and debate on government legislation, which we introduced into this place. They are doing that for their own political partisan reasons and, frankly, that is not only objectionable, it circumvents and undermines the purpose of this place.

My hon. colleague, the chief opposition whip, said in her opening remarks, when she introduced the concurrence motion, that the provisional Standing Orders served a number of purposes. One is to allow opposition parties the ability to introduce motions, to speak and to question government members. However, she also said something extremely important. The provisional Standing Orders or the Standing Orders should allow the government to conduct its business. In other words, it should allow the government to govern.

I totally agree with that. The Standing Orders should allow governments to govern. On one hand, the chief opposition whip agrees with that statement. Yet on the other hand, and proof is in today's concurrence motion, which is the fourth of fifth concurrence motion we have had in the last two weeks, she is delaying the ability of the government to govern. That is the first point and I want to get it on the record.

This is highly objectionable. I think most Canadians would agree with me that the purpose of Parliament is to pass legislation or to at least have healthy debate on the it. Yet by the very action of the opposition members, that debate is not taking place. They are finding ways, through procedural tactics, to shelve any meaningful debate on legislation that the government plans to bring forward.

This aside, that is their right. Under the Standing Orders, they can introduce concurrence motions. They have done so. We are now debating the motion for three hours instead of debating government legislation, but so be it. I will accept that because it is something that is available to all opposition members.

I want to turn my attention to the motion at hand. I again want to emphasize that the real issue in the debate on Standing Orders, whether the provisional Standing Orders should be made permanent, is not the issue. The issue is there was an agreement in place that was broken. I believe strongly that agreements and words are extremely important in this place. We could not operate in this place if we had a culture in which a word that was given could be broken at a whim.

I know you, Mr. Speaker, being the senior statesman in this place, would understand. Over the last few decades you have worked in this place and represented Canadians here. I suggest to you that you feel quite strongly that when one gives his or her word to a colleague, that word should be respected, that word should be honoured and to break that word is extremely serious. This is the issue with which we are dealing.

• (1145)

Even though it has been talked about before, let me give the scenario that occurred, chronologically.

On September 19 of this year, the meeting of the House leaders took place, at which time the government House leader talked about extending the provisional Standing Orders for approximately 60 days, until November 21. The reason the government House leader introduced this was because the previous agreement was that the provisional Standing Orders would stay in place only until October 10. If they were not put into place in a permanent fashion at that time, we would revert back to the old Standing Orders.

The government House leader then said that we should have some all party discussion on whether these provisional Standing Orders should be made permanent or whether they should perhaps be amended somewhat. He proposed to extend the provisional Standing Orders until November 21, an additional 60 days. He suggested that during that 60 day extension, the staff of all four parties get together and discuss whether there should be amendments or whether we were happy with the provisional Standing Orders as written. Then we could adopt them into a permanent state, with or without amendments, by the November 21. All House leaders said that was reasonable and they agreed to it.

The following day, on September 20, the government House leader, in this place, introduced the motion asking for unanimous consent to extend the provisional Standing Orders until November 21, as agreed upon in the previous day's House leaders' meeting. It was unanimously agreed upon. That is why I say there is indisputable proof that there was an agreement made at the House leaders' meeting of September 19.

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I have great respect for all of my colleagues in positions such as whips or House leaders, or caucus officer positions. Not only do I have respect for them, I absolutely know they are intelligent people who would not allow a motion to pass unanimously unless there had been an agreement. In other words, if we, as the government, tried to pull a fast one and we asked for unanimous consent for a motion and we tried to slide something through, if there had not been an agreement the previous day at the House leaders' meeting, my colleagues on the opposition benches would not have given unanimous consent. However, they did not do that. Everyone agreed to pass the motion unanimously, which again verifies my contention that there was an agreement in place. That is indisputable.

Now having proved that there was an agreement in place, what happened? Rather than waiting until November 21, rather than waiting for all staff members from all opposition parties and the government to get together to examine these provisional Standing Orders to determine whether there should be amendments made and rather than honouring the agreement, on October 5 of this year, at the procedures and House affairs committee, the chief opposition whip introduced a motion, without prior consultation, stating that she wished to make the provisional Standing Orders permanent immediately. That was in violation of the agreement, which stated they should remain in effect until November 21. This is the issue that I am debating. An agreement was broken.

The reason the opposition whip introduced this motion was payback. Opposition members were upset at us because we used a provisional tactic several days beforehand, Standing Order 56.1, and we caught the opposition by surprise.

• (1150)

The circumstances were this. Bill C-24 was being debated in this place. It was the softwood lumber debate, legislation which we had introduced and we wanted to get passed as quickly as possible. Our colleagues from the NDP, during debate, kept raising amendments and subamendments, and then putting up speakers to deal with those amendments and subamendments. That is perfectly acceptable under the Standing Orders of this place. NDP members were, in other words, using procedural tactics to delay implementation of Bill C-24. They did not agree with Bill C-24, so they were using procedural tactics to delay the implementation of it as long as they possibly could.

The Conservatives disagreed. We felt this bill was an extremely important piece of legislation that would benefit the softwood lumber industry and finally put an end to years and years of litigation and dispute between Canada and the U.S. We wanted to fast track the bill. We wanted to stop with these sorts of procedural delays, get the debate completed, get the bill to committee, and ultimately vote on it in this place.

What did we do? We employed a procedural tactic of our own. It is called Standing Order 56.1(3). For those in the gallery and the Canadian viewing public, it is what I would suggest is a fairly arcane procedural Standing Order, which says that there needs to be 25 members of the opposition in this place to defeat a motion that we were about to bring forward.

One day, knowing that the opposition tends not to show up to work very often, the Conservatives introduced a motion which

would, to cut to the chase, effectively limit the amount of debate that the NDP would be able to use. In other words, it would stop the NDP from using its procedural tactics to continue to delay the implementation of this bill.

The Conservatives introduced a motion and all of a sudden, by the rules of this place, all of those opposed to our motion had to stand and be counted. There needed to be 25 opposition members to defeat our motion. What happened? There were only 21 opposition members in this place at that time.

I would suggest that speaks volumes about the intentions of the members opposite who actually do not think it is that important to show up to this place during routine proceedings. Nonetheless, only 21 members stood, so the NDP could not defeat our motion. Consequently, it was stymied in its attempts to delay discussion and debate on Bill C-24.

In other words, because of the procedural tactic the Conservatives used, the opposition was angry. Opposition members were very angry and decided they had to push back, that there was payback and there were consequences. They were angry that the Conservatives pulled a fast one like that, embarrassed NDP members, and stifled their ability to talk about a bill they did not agree with.

What happened? On October 5 in the procedure and House affairs committee the opposition whip introduced a motion to break an agreement. She introduced a motion that would place a permanent status on the provisional Standing Orders. She said no, the opposition was not going to honour the agreement to wait until November 21 and was not going to honour the agreement to allow all staff members to get together and examine the provisional Standing Orders to see whether amendments should or could be made. It was going to say to heck with that, it wanted to break the agreement, and wanted these Standing Orders to be made permanent immediately.

That is the issue. The opposition members broke their word. That much is indisputable. In every question and comment period, I have asked every member opposite the simple question of whether there was an agreement in place and not one of the members has had the courage to stand here and say, "Yes, you were right, there was an agreement and that agreement was broken". They try to change the channel, skirt the issue, and stand in this place to say that is not really issue. The issue is that we should be discussing these provisional Standing Orders. That is the issue.

When members give their word of honour in this place, I suggest they must honour that word. This place could not operate without it. We all know that. From time to time in committees, opposition and government members get together and say, "We are debating something in committee. Can I count on your support?" If somebody says yes, that word is taken as that person's bond.

If we start breaking agreements and breaking our word, then our word is meaningless. This place will not operate. I will give an example of something that affected me, but will show all members how I try to conduct myself in this place.

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●(1155)

I was first elected in 2004. I was new to this place and new to the committee structure. I was on, ironically enough, the ethics committee at that time. During debate of some motion that was coming forward, the hon. NDP member for Winnipeg Centre, I believe, gave me a phone call and told me he was introducing something and that he would like my support. He explained his position to me. I said it sounded reasonable and made sense, so I said I would vote with him and support him when that initiative was brought before the committee.

I found out fairly quickly that perhaps before giving one's word one may want to consult with one's own party because I found out afterwards that it was not the position my party wanted to take. They gave me some very salient and cogent sort of explanations of why we should oppose the initiative that the member for Winnipeg Centre was going to introduce.

It came before the committee and what did I do? I voted with the member. I opposed our party's wishes. I paid for it. I had a discussion with some of our caucus officers who told me that they did not really appreciate my position, but the reason I did it was because I had given the member my word and was willing to live with the consequences. That is how this place must operate, I would suggest.

We have a fundamental issue and that is the issue of the day, the agreement that was made at the September 19 House leaders meeting has been broken. Nothing else matters. These provisional Standing Orders, I could live with them as they are. I could live with them with minor amendments, but that is not the issue.

An agreement was broken and it was done deliberately for partisan reasons, not for the benefit of Canadians, and not because we want to get these provisional Standing Orders in effect today. They would have been in effect in any event come November 21 because I would guarantee that all members of the committee, prior to November 21, would have brought forward a motion to deal with it before the deadline ran out. It would have been voted in favour. Those provisional Standing Orders would have been adopted with or without amendments.

However, the opposition party and the chief opposition whip brought this motion forward as a form of what probably may be considered as political payback, but in effect the opposition broke an agreement. It broke its word and that is the issue that we have to deal with here.

We will always disagree on fundamental issues. We will always agree to disagree ideologically, politically and philosophically, but I would suggest, and hope, that every member in this place would agree that when a member of this place gives his or her word to another member, that word should be honoured, and it is not.

We have had, in my opinion again, a serious breach of trust in this place. Some might suggest that the trust has been lacking for a long time. I could agree where some members would suggest that this place is not conducive to trustworthiness. Certainly, all parties are suspicious of the motives of other parties from time to time.

I am quite convinced, even as I speak now, that there are members in the opposition ranks who feel that my motives are politically

driven. I just want to assure them, whether or not they take me at my word, that they are not. I absolutely believe that when one gives his or her word in this place, it must be honoured.

We are starting to break down the ability of members to trust one another in the most primary and fundamental environment of asking whether another member will agree to support one and to support a piece of legislation. When a word is broken, when a trust and a bond is broken, I do not believe we can operate efficiently. That is the issue.

I would ask in summation that every member in this place stand during their comments or in their questions, and please accommodate me and answer one simple question. Do they not believe that when one gives his or her word in this place, it should be honoured?

●(1200)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the motion is very interesting, which talks about bringing the issue before Parliament to make a decision. We are being accused of breaking our word because members want to vote on it.

The member is switching it from the real problem about the trust and the honesty of members. He says we should trust each other and when a person gives his or her word in the House that it must be honoured.

Where does he stand when we talk about Michael Fortier? The Prime Minister of this country gave his word when he said very clearly in the House that there should not be any senators in the Senate if they are not elected? He broke his word right after the election because he appointed a Senator. After that the Prime Minister of our country and the leader of the Conservative Party said that to be a minister and represent Canadians the person had to be elected. He broke his word because he appointed a minister who sits in the Senate and was appointed by the same Prime Minister.

Let us talk about breaking our word. I find it more important when the Prime Minister breaks his word by appointing a minister instead of having him be elected in a constituency. Then the Prime Minister says that the reason he put him there is because he is doing a good job in Montreal. How could he be doing a good job when we cannot even question him? Is it only the word of the Prime Minister that is good? Is he the only one who can decide if he is doing a good job or not and not the people of the riding or Parliament by asking questions of the minister?

When members talk about breaking our word, I do not think we have to take any lessons from the Conservative Party. I would like the member to answer directly that question about breaking one's word.

●(1205)

Mr. Tom Lukiwski: Mr. Speaker, once again, I would point out to Canadians that the member failed to answer my direct question. He answers a question by posing another question.

Let me directly answer his question about Senator Fortier. The Prime Minister said that he believes in an elected Senate and we stand by that. We are going to be introducing legislation in this place which hopefully will have the support of the hon. member for an elected Senate.

What the Prime Minister said at the time when he appointed Senator Michael Fortier to the Senate was that he wanted representation in Canada's second largest city, Montreal. Traditionally and historically, one does not have to be an elected member to be in cabinet. We all know that. Historically, the way to appoint someone into cabinet is through the Senate.

I know the member does not want to listen to this because of course it defuses his argument. The Prime Minister said that he would appoint a Senator so that we can bring him into cabinet to represent Montreal and Mr. Fortier would run in the next general election. That was his commitment.

The member does not want to talk about the issue I have today and it is quite simple. I ask him for the third time, was there an agreement at the September 19 House leaders meeting? Yes or no.

Mr. Yvon Godin: I was not there.

Mr. Tom Lukiwski: Conveniently, he did not get a report then. The member of course is one of the caucus House officers. He states that he was not at the September 19 meeting. I can only surmise that the NDP members, when they miss a meeting, do not ask anyone to give them a report on the results of that meeting. That is unfortunate. I would hope they would conduct themselves in a slightly more professional manner.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am frankly getting a little concerned about how we got into this morass. I will try to bring some focus to the issue. The House understands that in September the procedure and House affairs committee passed a motion to extend the provisional Standing Orders until November 21, an additional 60 days.

On October 5, at a subsequent meeting of procedure and House affairs, another motion came before the committee. It was in order and was dealt with. It was voted upon and reported to the House. That was that the provisional Standing Orders become permanent.

The two decisions, one in September and one in October, in fact differed. They were a change of view. However, the committee made that decision and reported it to the House.

The member is saying that the decision taken on October 5 to make the provisional Standing Orders permanent violates some informal agreement, but that informal agreement was with regard to the September meeting motion to extend the provisional Standing Orders until November 21.

I believe that the government member is mixing apples and oranges here. The committee did make a decision with regard to making them permanent. It was an order. It was reported to the House and concurrence is now being moved. Why is the member saying that it was a violation of an agreement when in fact the committee made the decision?

Mr. Tom Lukiwski: Mr. Speaker, perhaps the member was in his lobby when I was making my presentation but I did say that it was a decision made at the House leaders' meeting of September 19. All four House leaders unanimously agreed with a suggestion brought forward by the government House leader to extend the provisional Standing Orders. The committee had some discussion on this but no motion was put forward. Subsequent to that meeting, the following

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day the government House leader introduced a motion in this place, which was unanimously approved, to extend the provisional Standing Orders.

I think it is the member for Mississauga South who is mixing apples and oranges, not I. An agreement was made, agreed upon by unanimous consent in this place by all four parties and it was broken without prior consultation by members opposite. Those are the facts.

• (1210)

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, my colleague was talking about apples and oranges. In the next few weeks the committee will be travelling and if votes are called what will happen then? Where is the agreement on pairing? If it is done among House leaders, will we have some difficulties there? Does the member foresee any future problems with this?

Mr. Tom Lukiwski: Mr. Speaker, my hon. colleague has just given one example of many that could be the start of a very slippery slope in this place. If a person breaks his or her word once, I suppose the person could break it all the time. When agreements have been made to pair when committees travel, for example, and one party does not keep its word because some other party broke its word on another agreement, then we begin to have serious problems, which is why I keep emphasizing and re-emphasizing the importance of members in this House keeping their word when we make agreements with one another.

All of us can give examples of agreements we have made with members opposite on a host of different issues. I would suggest that up until this point in time most members felt they could trust the person opposite. I think most members opposite would agree that if someone gives his or her word on a certain issue, we believe in that person's word and we have confidence that the person will honour that commitment. While it has worked fairly well up until now, I would suggest that the trust is gone, which is extremely unfortunate.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I thank my colleague for allowing me to speak today to this extremely important issue.

For those who are watching this, it may seem a rather arcane issue dealing with the provisional Standing Orders but these are the rules upon which we can function and serve our constituents and our country in the House. These are the rules that have been put together to enable us to serve our country and our communities.

None of this is new. These provisional Standing Orders were put forth and supported strongly by the Conservatives when they were in opposition and by us in an effort to open up this place and make it more democratic.

How extreme are the provisional Standing Orders? What are these rules that we are actually talking about? Why do we want them to continue and why does the government wish that they not continue?

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One of the Standing Orders would allow individuals in this House to question the Prime Minister and the Leader of the Opposition for 10 minutes after they make a speech on a government motion. What is so flawed and so bad about enabling members for the first time to ask questions of the Prime Minister and the Leader of the Opposition in response to words they have uttered in this House?

This is the type of questioning that is the pillar of our Westminster system. It allows members to represent their constituents and ask the person who holds the highest office in the land the questions that their constituents are concerned about. This was never allowed before under the provisional Standing Orders.

It is logical that the Conservative Party would have supported this in opposition and why my party supported these particular changes. It was a very important move to open this House up and become more democratic.

These rules also allow members to split their time with other members. One of the frustrations I think we all have, because there are limited times and limited slots in which to speak, is that we all wish to have an opportunity to speak to particular motions that occur.

Historically, a member only had 10 minutes to speak and therefore only a few members of Parliament had the opportunity to articulate their views and those of their constituents in this House on a motion. The changes we are talking about today allow members to split their time. It allows more members to voice their views in this hallowed chamber. Is that so bad? Is that so undemocratic? Is that such a violation that the government cannot live with this?

These provisional Standing Orders also allow us to debate concurrence motions. Another frustration I think we all have is that all of us have passed motions in committees. A lot of good work occurs in committee and, in many ways, a lot of the more constructive work on issues actually occurs in committees. The environment in committee tends to be a little more collegial and a little less confrontational than what we have in the House. It is perhaps because we are less than two sword lengths away from each other.

However, the reality is that motions passed in committee are oftentimes constructive motions, policy driven motions and motions in the public interest. Those motions, historically, have disappeared into the ether because we never had a mechanism upon which those motions could come to the House for a more fulsome debate and where the public could be made aware of those issues through the substantive debate that would take place on those issues.

In the foreign affairs committee, for example, we in the Liberal Party passed substantive motions and supported motions dealing with Afghanistan, HIV-AIDS, Zimbabwe, Darfur, the Congo and a number of other crises occurring in the world, and we passed those motions. Sometimes, with the use of these Standing Order changes, those motions and motions like them have been allowed to come to the House so the public can listen to the debates and hear the constructive solutions being offered by members from all sides.

• (1215)

Why on earth would government members not want these orders, which allow members from all sides, including their own, to

represent their constituents and articulate their solutions, to continue?

Why on earth would the government desire to quell, quash and stop these democratic interventions that allow a more fulsome and constructive debate and a more solution oriented, policy and factually driven debate where we ultimately get action on the issues Canadians care about?

The Conservatives would block it because we have a government that is unlike any other that we have seen before. We have a government not by the people and for the people. We have a government by one person, for one party. The new Prime Minister is not one who is necessarily cut from the cloth of others. His viewpoint is one that is rooted in ideology, where ideology trumps science, fact and everything but the pursuit of power.

It stems from a type of thinking that comes from an obscure professor in the U.S. named Professor Strauss. This is the Straussian view of the world that is held by a few but important individuals. The intellectual bedmates of the Prime Minister are people like Mr. Bush, Mr. Cheney and Mr. Rumsfeld. They are all acolytes of this professor who lived earlier on in the 20th century.

Professor Strauss' view of the world was not one rooted in democracy. He believed that effective government came from the top, from a small number of people driven by ideology, who would force their will through a government structure and implement those solutions for a country. However, the inherent danger in that is that it violates the very roots of democracy and of this institution. That is what we have now. We have a Prime Minister driven by ideology, not driven by science and not driven by facts.

I will give some examples, the most egregious example of which is the issue of drug policy. That was manifested this summer in the almost willingness of the government to not allow the safe injection sites to continue in Vancouver. The government maintained that it needed more studies. These studies were done by some of the top researchers in the world and they were published in *The Lancet*. The studies showed very clearly that the safe injection site in Vancouver saved lives, saved money and was humane. These studies, which were done by independent assessors, some of the top scientific minds and researchers in Canada, showed that the safe injection site in Vancouver worked.

When I spoke to the Minister of Health he said that more studies were needed and he only extended this safe injection site for one year, not the three and a half years that were required. Why? It is because the government thinks it can hold an election and get a majority and, I believe, stop that safe injection site. The Conservatives will also not allow any other similar sites to occur in any other part of the country. Why? It is because ideologically they believe that safe injection sites are immoral and not in the interests of the public, but that completely ignores the facts.

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We have, it is sad to say, a government run by one Prime Minister who believes that he is an omnibus cabinet minister. That is why we are seeing cabinet ministers, some of whom are very bright people and have very good ideas, being asked to shut up and to not offer any constructive solutions on how they can build public policy. All public policy comes from one person, the Prime Minister and a small number of people around him. The cabinet members are simply asked to trot out these solutions that the Prime Minister offers. That is not democracy.

The public who voted for the Conservative Party, particularly those people who are rooted in the Reform angle and who strongly believe in democracy and democratizing this House, would find it anathema to them that their government would not support these Standing Orders that allow members from all sides, including their own, to offer solutions in a constructive way.

It is sad to say that when the Prime Minister calls on his cabinet ministers, it is really to ask them to play the fall person to deal with mistakes that he has made.

● (1220)

The most recent example is the so-called environment bill, which has nothing to do with environmental protection. It has nothing to do with greenhouse gas emissions, the reason being that the Prime Minister at heart has chosen to ignore the signs, to ignore the facts and to believe that global warming is not really occurring. He is trusting his ideological belief over the actual scientific evidence, which demonstrates very clearly that global warming is occurring and is due to greenhouse gas emissions and that we have to act to make the changes necessary to ensure that we will be able to reverse this trend. It is very important for us, given our location in the world and the implications for the heating of our glaciers and our arctic areas, which is having a profound impact not only upon our country, but upon the world.

The other area is the so-called accountability bill. The accountability bill has nothing to do with accountability. It is but another example of many of the Prime Minister couching something in a certain way to lead people to believe that it is something it is not. The accountability bill is going to destroy the ability of the public service to innovate and to do the job it has done so honourably for so many decades. It also is going to prevent good people from joining the public service. We are having now and will have in the future a major problem with respect to attrition taking place in the public service and our need to attract to the public service the smart, dynamic, hard-working individuals we have always had.

Why should people join the public service if Bill C-2, the accountability bill, comes to pass, when they will have to be continually watching over their backs and continually having a hammer over their heads, and when their ability to influence and innovate is dramatically affected in a negative way? There are already checks and balances over the behaviour of the public servants, like there are over the behaviour of the House. We do not need any more of those.

Furthermore, the accountability bill has nothing to do with accountability, because accountability is the obligation of us as elected officials and of senior government officials to tell the public what we are doing before we do it and to respond to what has been

done in the public interest. That is not what the accountability bill is about at all. In fact, when asked in the House to define simple public accountability, not one of those members could do that.

Furthermore, there is not even a definition of accountability in the bill. I hope the public recognizes that it is not what it seems and that the government is engaging in a number of behaviours and interventions that are diametrically opposed to the public good.

Not supporting these Standing Orders, not making these Standing Orders a matter of the rules on which the House continues, will be a complete violation of what the Conservatives have always supported and what we have commonly come to know as our basic democratic rights as members of Parliament.

We can also see that the government has been engaging in another pattern of behaviour, one that I have not seen in 13 years. It is quelling and quashing the ability of the public service to deal with members of Parliament, particularly those in opposition. It is very difficult for us to get information about what is occurring in the public service and to have meetings with public servants, who have always been very forthcoming in providing us with briefings in areas of our responsibility.

Since the new government has come along, I think the message has come down from on high, from the Prime Minister's Office, that members of the public service and the bureaucracy are not allowed to speak to members of the opposition. Roadblocks have been put in place to prevent us from being able to attend meetings and from dealing with and addressing members of the public service in a forthright and transparent fashion. That is a complete violation of our ability to do our jobs as members of Parliament in the service of the public.

The government also clearly is engaging in the behaviour of putting forth policies and using issues in a way that can harm Canadians. I will give but one example.

● (1225)

In the extension of the mission to Afghanistan, the Prime Minister framed the argument as being that if we do not support the extension of the mission then we do not support our troops. What an absolute pile of nonsense. That is an absolute use of our troops for the Prime Minister's own political gain. All of us, I think, at least those of us in the opposition, were extremely angry that the Prime Minister would have used our troops, who are giving their lives abroad for us, in such a naked political way.

We asked the Prime Minister's government to have the briefings and the information so we could respond and vote on this particular issue in a way that is responsible. There is no other duty that we have in this House, no other issue that is more difficult and no other issue that deserves more attention than when we put the lives of our troops on the line for the interests of our country.

Routine Proceedings

Yet the government and Prime Minister gave the people of our House, members of Parliament, a mere 48 hours in order to respond. There was not enough time to get the information on issues such as the following. What is the government going to do in terms of the development framework in Afghanistan? What are the government's plans for training the Afghan security forces? What are the government's plans for dealing with the insurgency coming from outside Afghanistan? What is the government's plan to deal with the poppy crop? As Hamid Karzai, president of Afghanistan, said very clearly, "If we do not destroy poppies in Afghanistan, then poppies will destroy us".

Why, in those four areas, could we not simply get the answers that would enable us to ensure that the conditions for the success of the mission were going to be there? The reason the Prime Minister did not allow it is that the Prime Minister knew his government was not putting out the interest, the attention and the resources to deal with those four issues that are conditional to the success of the mission in Afghanistan. He would rather use the issue as a political ploy to try to divide the opposition and to be able to erroneously show the public that those who do not support an extension at this time are somehow against our troops, which is absolute rubbish.

Behind that is a more evil intention. That evil intention is the desire on the part of the Prime Minister to use our troops for political gain. They should never be used for political gain. I hope the public sees that. I hope public understands that what we are trying to do is make sure that the conditions for the success of our mission in Afghanistan are there.

We also have been very clear in trying to articulate and demonstrate to the public that the policies the government has pursued in some areas are not what they seem. The government has trotted out policies on taxes. What it has done is raise the taxes on the poor. How on earth could any government in good conscience raise taxes on those who are the most vulnerable in our society? That is what the government has done.

The government talks about a child care program. Is the child care program a child care program? No, it is not. It is \$1,200 before taxes for Canadians for their children under the age of six. That amounts to less than the cost of the cup of latte a day. That is not child care.

I hope the public understands that what we are trying to do here in this House with respect to these particular Standing Orders is enable and codify these orders in the House, which would enable us to have debates the public can see, give all members the ability to put forth solutions that would enable us to be constructive in the interests of our constituents, and enable us to work in the interests of the public.

We do not have enough opportunities to do that. These Standing Orders will enable us to do that. I think it is quite remarkable that the Conservative government that is now in power is now trying to block the very tools that will enable all MPs to be able to do their job.

I particularly ask members of Parliament who are in the backbenches of the Conservative Party to reflect on why their Prime Minister has muzzled them, has tried to muzzle the press and has muzzled his cabinet. The Prime Minister believes that he is the omnibus prime minister and that he is the font of all good ideas, but

there is a dramatic danger there, in that no one person can be the government. It requires the best efforts of all people.

• (1230)

I hope the Canadian public understands that. I hope the government comes to its senses and supports these Standing Orders becoming permanent.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I think the last 20 minutes of comments from the member opposite just underscore my original comments that I made a few minutes ago in my presentation.

In fact, the opposition member is just trying to hijack Parliament. We had a 20 minute discourse on anything but the motion that is before this House, which is the member's total right under the procedures of this House. However, it did not speak to the motion in any way, shape or form, so I again want to let Canadians know that these are obstructionist tactics trying to delay implementation of government bills and in fact even trying to delay debate on government legislation. The member quite clearly underscored that to a level of ability which I could not.

Hon. Keith Martin: Mr. Speaker, the hon. member is of course free to make his comments in this House. It is one of the great advantages of living in our beautiful, democratic country, but the member should understand very clearly, and I hope he does, that he needs to look back in history a little and understand that it was his party that supported these Standing Orders.

What we are debating today is that we are supporting the ability for us to have orders upon which we can work and ensure that this House is democratic, to ensure that we as members of Parliament are able to put forth solutions and ideas and have public debates, not to hijack anybody's agenda.

I will give one example. I would ask the member or any person in the government this question. How on earth is it hijacking the government agenda in allowing a rule to exist that enables members of Parliament to question not only the Prime Minister but the Leader of the Opposition in speeches they make on government motions? They are 10 minute speeches. That is not hijacking. That is democracy.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I would like to point out to the member opposite that we agree with the provisional Standing Orders. I will repeat it again very slowly: we agree with the provisional Standing Orders. In fact, we helped write most of them in the 38th Parliament, when they were originally created.

The point is not whether we want the provisional Standing Orders implemented permanently, because we do. The point is keeping one's word. The point is lying in one meeting and going to another and doing something different.

I hope the member opposite now can give us a little response as to whether he thinks this place could work if every time we meet we tell a lie.

Routine Proceedings

●(1235)

Hon. Keith Martin: Mr. Speaker, he talks about keeping one's word. I think the government has a lot to answer for in a lot of areas, including the issue of Mr. Fortier, who was appointed to the Senate and then became a cabinet minister.

I cannot think of any example of a situation like that, at least not in the 13 years that I have been here, whereby a government appointed somebody who is sitting in the other chamber to be a cabinet minister and who therefore is hidden from the ability of the people in this House to ask questions and also hidden from being accountable while responsible for a department.

The members of the public who are watching us know this very clearly. For those who do not know this, I do not know if they cannot possibly fathom why on earth a government would be talking about accountability. Why would a Prime Minister be trumpeting accountability with one arm and muzzling his MPs and his cabinet with the other arm while appointing members of the Senate to be members of his cabinet, to be responsible for departments but shielded from the type of accountability and questioning that every other cabinet minister in this House is responsible for?

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I was a little taken aback by the suggestion that there was lying being done here. We do have the presumption of honesty of all hon. members.

We do have a situation here where the House leaders had some discussions and made some agreement. That is one group of people. The procedure and House affairs committee subsequently had a meeting and considered a motion, duly brought before the committee, in order, voted upon and reported to this House, and on which we are now moving concurrence. That meeting of another group of people, being the members of the procedure and House affairs committee, adopted a resolution that we make the provisional Standing Orders permanent.

I do not know how we get to the point where that is somehow a lie or breaking a trust or breaking anything when it in fact is a standing committee of the House of Commons that had a motion or an order before it which was in order and handled in accordance with the rules of Parliament. How could that be wrong?

Hon. Keith Martin: Mr. Speaker, I thank the member for Mississauga South for his very hard work on the Standings Orders and on democratizing the House. He has been a respected member of the House for a long time. Members of the government would be well served by listening to his interventions and solutions. He is a very thoughtful individual who has come up with umpteen constructive apolitical solutions that would allow all members of the House to serve the public, our masters, in a more constructive and effective way.

If government members were willing to do so, they would be wise to implement a number of solutions that the member for Mississauga South has offered. He has conducted himself in a very forthright, democratic and fair-minded fashion. He has put forth solutions based on his vast experience and knowledge of the rules of the House. The government would be wise to adopt a lot of those solutions in the House in the interests of the public.

The Acting Speaker (Mr. Andrew Scheer): Resuming debate, the hon. member for Elgin—Middlesex—London.

Mr. Joe Preston: It should be the member for Montmorency—Charlevoix—Haute-Côte-Nord.

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): I had the hon. member for Elgin—Middlesex—London on my list.

Was it the Bloc Québécois's turn?

●(1240)

[*English*]

During speeches it does not automatically go by rotation by party. However, I see the government members indicating that they are willing to allow the Bloc to speak.

[*Translation*]

We shall resume the debate. The hon. member for Montmorency—Charlevoix—Haute-Côte-Nord.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would like to raise a point of order in connection with your last comment. I am not in fact intervening at the special request of the government. According to the principle of rotation, a Liberal member rose first, then you recognized a second Liberal member. Since no one from the government rose, it is automatically my turn to rise.

I was standing and you recognized two Liberal members. My point of order having been raised, I inform you that I will split my time with my colleague from Hochelaga.

I am pleased to speak to this motion, in my capacity as vice-chair of the Standing Committee on Procedure and House Affairs. From the outset I have been involved in discussions within our parliamentary committee. I do not wish to repeat here everything that was said in committee. In order to maintain a certain credibility, we parliamentarians in this House have a certain obligation to be consistent and behave logically.

Nevertheless, regardless of their allegiance or political opinion, we note that some politicians have credibility problems. They claim one thing when they are in the opposition and, when their party is in power, they claim the opposite.

Implementation of these Standing Orders—implementation that we wish to be permanent but that has been provisional for more than 20 months—requires some consistency on the part of the Conservative Party and the Conservative government.

Let me explain. When the Speech from the Throne was adopted in 2004, following the election on June 28, 2004, discussions were held among the three opposition party leaders: the leader of the Conservative Party, the leader of the Bloc Québécois and the leader of the NDP. During these discussions about the arrival of a minority government, it was agreed that we should adopt some new rules to reflect the reality of a minority government. I will recall that the current Prime Minister, then leader of the opposition, was in full agreement with this approach.

Routine Proceedings

The Conservative Party, now in power, no longer likes the rules it thought were fine when it was in opposition. The government, with its attitude and its parliamentary tactics, is preventing the provisional Standing Orders from becoming permanent. We have seen it in this file, as we have seen in many other files, such as those concerning the environment and the government's foreign policy. I am thinking of Afghanistan and the bombing in southern Lebanon.

Fortunately this Conservative government is a minority government. Fortunately this Conservative government cannot do what it wants. Fortunately the members of the opposition parties, whose numbers are greater, can prevent the Conservative Party from doing what it wants.

I am asking the government and the Conservative Party to be consistent. They agreed to change these rules. At the time, the Liberal Party was in government and opposed the changes. Now that it is in opposition, it supports them. The Liberal Party and the Bloc Québécois agree that these provisional standing orders should become permanent.

I would like to discuss one rule in particular that is really important. I am referring to subsection 106(4) of our Standing Orders, according to which any four members of a committee may, with five days' notice, convene a meeting of a standing committee.

• (1245)

The previous rule required ten days' notice. The Conservatives agreed with us to reduce that to five days, for the very good reason that this standing order comes into effect mainly when Parliament is not sitting and an emergency arises. As you know, most committees meet twice a week, so there is no need to convene the Standing Committee on Procedure and House Affairs. We met this morning and we will meet Thursday morning, unless some event occurs to change that. This standing order comes into effect and is used most often during the summer and winter holiday recesses.

Previously, ten days' notice was required. We agreed to reduce this to five days because of the exceptional nature of the measure. Convening a standing committee requires some unusual event, some emergency to have taken place to bring parliamentarians together as quickly as possible, hear witnesses and report to the House once the session resumes.

Given how quickly certain events progress, whatever made headlines this morning will still be an issue in five days, but it might not be in ten days.

It is a clear-cut case of the Conservatives having agreed to reduce the number of days to five but now that is one of the points of contention. Let us reread the transcripts of the Standing Committee on Procedure and House Affairs. The government whip was explicit: it is one of the Standing Orders with which the government does not agree, and one that the government would like to change back to ten days.

I reminded the government whip that, as far as I could recall, we had used this Standing Order three times when we were the official opposition. We had asked, during the summer, that the Standing Committee on Foreign Affairs and International Trade be convened to answer questions pertaining to the discovery of prisoners of war and to the JTF2 unit. We had asked for light to be shed on these

matters by convening the Standing Committee on Foreign Affairs and International Development. The Conservatives agreed.

We asked that the Standing Committee on Industry, Science and Technology be convened due to the rising cost of petroleum products caused by the greed of oil companies eager to pocket greater profits. The Conservatives agreed.

Furthermore, in the summer of 2004, I clearly remember being at the centre of a strategy to convene the Standing Committee on Public Accounts, chaired by the member for Edmonton—St. Albert, to examine the sponsorship scandal. The Conservatives agreed with us regarding the five day rule.

They should behave as they did when in opposition and consider the logic behind these changes to the Standing Orders.

• (1250)

[*English*]

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, the member opposite gave a strong intervention, but I have a couple of points to make. As he recognizes, it was this party, in cooperation with others, that put together the provisional Standing Orders in the 38th Parliament.

The spirit of cooperation in the House is the lubricant that gets things done while partisanship is the friction that causes it to come grinding to a halt. If we remove the lubricant of cooperation, how can we get the job done? We agree with him that the provisional Standing Orders need to pass.

I guess the point being made was that there were some slight and small changes to them. He brought up the one about the amendment. He agrees that it probably should not change, but does he agree that, in their entirety, the provisional Standing Orders are exactly how he would like them or is there a small amount of work that still needs to be done to fix a couple of them?

Apparently, that was the spirit of cooperation at the House leaders' meeting, when it was agreed they would be put off and looked at by staff in order to fix some of the small pieces that needed to be fixed. Could the member tell us whether they are perfect or is there a small amount in the provisional Standing Orders that even he would still like to see fixed?

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, I will employ the boomerang effect.

My colleague, with whom I sit on the Standing Committee on Procedure and House Affairs, mentioned a spirit of cooperation and minor changes. I would like to send the boomerang back to him by saying that we should adopt these Standing Orders immediately and make these provisional measures permanent.

If problems remain concerning the Standing Orders, if other changes must be made that will not result in major changes to procedure and operations, representatives from all parties could sit down together. The Standing Committee on Procedure and House Affairs, and the House leaders committee could have a look at it.

Routine Proceedings

Don Boudria previously set up a House leaders committee that analyzed the Standing Orders. If three or four minor changes are needed, they could be reviewed after the provisional Standing Orders are adopted.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, a lot of government members have suggested that some agreement has been breached and that there is no good faith in this place. The fact remains that it appears that at a House leaders meeting there were discussions about extending the deadline with regard to the provisional Standing Orders to November 21 and also that the staff would be doing work to prepare for potential amendments as well as having meetings. The hon. member for the Bloc will also know that no meetings were called and no instructions were given. There is no evidence of any work having been done. Telephone calls by the opposition whip to have discussions with the government whip were not returned during the whole break week.

It appears that despite the best efforts of the opposition parties to move on this, the government was not willing. Accordingly, a proper motion was moved at the procedure and House affairs committee to make the provisional Standing Orders permanent.

Are those the facts as the Bloc member understands them?

[Translation]

Mr. Michel Guimond: Mr. Speaker, I do not want to impugn the government's motives. But the fact is that the government does not want these provisional measures to become permanent, at least for the time being.

Clearly, we on this side of the House want something different, as do our NDP colleagues, I am certain. They will realize that, with these amendments to the Standing Orders, the NDP is gaining a votable opposition day. I am therefore convinced that our NDP colleagues will vote with the Bloc and the Liberals.

At the risk of repeating myself, I do not want to impugn the government's motives, but the fact is that it does not want these measures to become permanent. I think that, thanks to opposition solidarity, they will become permanent.

• (1255)

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, I thank my colleague for his extremely pertinent remarks, considering what is happening this morning in this House.

I know that the word "hypocrite" is not parliamentary, and I am certainly not going to use it, but I believe that the word "Pharisee" is.

Still, it is rather unbelievable to witness such a situation this morning. When the Conservatives were in opposition — remember that this took place in the post-Gomery period — they wanted Parliament to be more transparent, for parliamentarians to be more efficient, more accountable, and they wanted to enhance the role of every member. They wanted to put parliamentary business at the centre of this reform.

We know that members spend a great deal of time in committee. I remember when I was elected in 1993, the leader of the Bloc Québécois at the time, Lucien Bouchard, told us that question period was important and made it possible to exercise some control on the

actions of the government, but that it was in committee work that a member reached his true worth. It was there that a member's knowledge of an issue could be seen, it was there that in-depth examination was carried out and it was there that bills could be improved.

We were looking for a revision of the Standing Orders and the adoption of these new rules, which were one of the demands of the Conservatives. I recall even some aspects that were not contained in the new Standing Orders. For example, when they were in opposition, the Conservatives wanted all private members bills brought to a vote. They said that whenever there is a debate, reports or bills, there should be an exchange between parliamentarians.

What a government of Pharisees we have there! What hypocrisy; what a shame after the promise given for the government to back track! The current prime minister, who was then the leader of the opposition, had made demands for an amendment to the Speech from the Throne. All political parties, all the party leaders were agreed on a reform of the Standing Orders. Today, a government that receives 17% of the projected vote in Quebec, and almost 30% nationally, is acting like those traditional parties who lose the confidence and respect of our fellow Canadians. Why? Because they say one thing when they are in opposition and do the opposite when they are in government.

Thankfully, this is not a majority government and, God and the voters willing, it will never be. This is a government that is unable to follow through on promises. Members in this House may have differing convictions. We can lean toward the left or the right. We can believe in government intervention or have greater faith in private enterprise. We may have a different vision of the social contract by which we exist and interact. But, in a Parliament, you cannot behave in such a way as to do the opposite of what you said when in opposition. That is unacceptable and, once again, it goes to show that the Conservatives are an immature party, unable to govern the state respectfully.

Let us get into a bit more detail. What did the reformed Standing Orders provide? First was the matter of opposition days. Members know that, for each parliamentary calendar, opposition parties may submit to the table officer a list of topics of current interest for the consideration of the House, which will be votable. Understandably, the number of opposition days is proportionate to the respective number of seats of the various political parties.

• (1300)

This means that the official opposition has more opposition days than the Bloc, and the Bloc has more than the NDP. Opposition days are an important mechanism whereby political parties can draw attention to problems. For example, the Bloc Québécois had opposition days on the POWA, the lack of control over gasoline prices, the missile defence shield and lumber. When they were in opposition, the Conservatives maintained that all opposition day motions ought to be votable. Now, they want to backtrack on that. They do not want all opposition day motions to be votable.

Routine Proceedings

Again, how can we expect Canadians and Quebecers to respect this party when it is unable to follow a guideline, and its principles, sense of honour and commitment keep changing depending on which side of the House it is sitting? That is unacceptable.

Another aspect of the Standing Orders that was a major improvement, an operating procedure that was to the benefit of all parties, is this ability to convene parliamentary committees on shorter notice. Before the amended Standing Orders were adopted, we could not convene a parliamentary committee without giving 10 days' notice, whether it was the Standing Committee on Industry, Science and Technology, the Standing Committee on Justice and Human Rights, the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities or the Standing Committee on Finance. Parliamentary committees could be convened on 10 days' notice. Now, if the request is signed by a certain number of permanent members, a parliamentary committee can be convened on five days' notice. This is important, because even when the House is not sitting, parliamentary committees may have to make decisions.

When our colleague, the member for Joliette, was the Bloc Québécois international trade critic, he asked that the committee be convened in the middle of the summer because of the softwood lumber agreement. At the time when my colleague from Joliette asked that the committee be convened, the softwood lumber agreement was causing the forest industry some concern. As a result of the questions asked by the Bloc Québécois, the government was of course persuaded to improve the agreement. There are therefore times when parliamentary committees have to be convened.

I would note the excellent work done by my colleague the foreign affairs critic in the last few years, and wish her a prompt recovery; she should be back with us in the near future, or at least that is what we hope for her. Our colleague from La Pointe-de-l'Île had to ask that the Standing Committee on Foreign Affairs and International Trade be convened because of the crisis taking place in the Middle East, the Lebanon crisis.

I do not understand this double talk, this holier than thou attitude, this hypocritical attitude, which makes people incapable of keeping their word and makes them say one thing when they are in opposition and another when they are in power. What point is there in having a minister responsible for democratic reform? What point is there in talking about recognizing the role of members of Parliament? How can we think that the public will respect their elected representatives if the government zigs and zags and is incapable of keeping its word?

What a disappointment! God and our fellow citizens willing this government will never get a majority. I am convinced that our fellow citizens will sit up and realize how unworthy this government is of being given another term.

• (1305)

[*English*]

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, perhaps he just did not hear the first three responses, but I want to point out to my hon.

colleague from the Bloc for the fourth time this afternoon that the Conservatives are in favour of the provisional Standing Orders. If they pass as is without amendment, we are in favour of that. We had suggested that we examine them to see if there were any amendments that all parties could agree upon, but if not, we would gladly support them. We have said that four times now. We are not renegeing on our commitment. All we wanted was for staff to get together to examine whether amendments could make the provisions stronger.

In response to a comment made by the member for Mississauga South, there had been no discussion but there were discussions planned for the break week in October. Unfortunately, those discussions never took place because the Liberal Party decided to bring a motion forward to circumvent it.

The Conservatives support these provisions.

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Hochelaga has one minute to respond.

Mr. Réal Ménard: Mr. Speaker, I believe my colleague, but there have been indications that the government was dithering on this issue. I am glad the government is in favour of making the provisional Standing Orders permanent because it is in the best interest of all parties. I will trust my colleague.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): It is my duty to interrupt the proceedings at this time and put forthwith the question on the motion now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Andrew Scheer): Call in the members.

And the bells having rung:

Hon. Karen Redman: Mr. Speaker, I would ask that the vote be deferred until 5:30 p.m. tomorrow.

The Acting Speaker (Mr. Andrew Scheer): Accordingly, the vote stands deferred until 5:30 p.m. tomorrow.

The House will now resume with the remaining business under routine proceedings.

*Government Orders***PETITIONS**

HERITAGE HUNTING, TRAPPING AND FISHING PROTECTION ACT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, it is an honour to present a group of petitions from the good people of Dauphin—Swan River—Marquette.

The first petition calls upon the House of Commons to enact Bill C-222, An Act to recognize and protect Canada's hunting, trapping and fishing heritage, to ensure the rights of present and future Canadians to enjoy these activities are protected in law.

• (1310)

AGE OF CONSENT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, the second petition calls on the Government of Canada and Parliament to enact legislation to protect our children by raising the age of sexual consent to 16 years.

GASOLINE TAXES

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, in this petition the petitioners call upon the House of Commons to enact legislation to eliminate the federal excise tax on diesel fuel and gasoline used in farming operations and commercial fisheries, to cap the amount of taxes it collects on gasoline and to eliminate the practice of applying GST to provincial fuel tax and the federal excise tax, a practice that charges tax on top of tax.

BEEF INDUSTRY

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, the last petition calls on Parliament to take immediate action to develop internationally recognized protocols designed to restore confidence in Canadian beef products and to open international beef markets to Canadian producers.

ROYAL CANADIAN MOUNTED POLICE

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, I rise today to present a petition on behalf of a number of residents in the riding of Tobique—Mactaquac, who wish to bring to the House's attention their concerns with regard to a fraudulent investigation that went on after the death of Guy Bellefleur, son of Mr. Réjean Bellefleur. Therefore, they request that all hon. members of Parliament and the Minister of Public Safety call upon the RCMP to rectify this situation by conducting a full inquiry into this case.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if Question No. 88 could be made an order for return, this return would be tabled immediately.

The Acting Speaker (Mr. Andrew Scheer): Is that agreed?

Some hon. members: Agreed.

[Text]

Question No.88—**Mr. Gilles Duceppe:**

What percentage of unemployed people in Quebec have exhausted their weeks of regular employment insurance benefits, by employment insurance economic region and by fiscal year, from 2001-2002 to 2004-2005?

(Return tabled)

[English]

Mr. Tom Lukiwski: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Andrew Scheer): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT

The House resumed from October 23 consideration of the motion that Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Etobicoke North has eight minutes left in his speech.

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to continue. Yesterday across the floor the Conservative members were laughing and heckling on a very important topic, money laundering. I am hoping they will pay closer attention today, because money laundering is not done by ordinary citizens; it is done by criminals and terrorists. It is a very serious matter.

First of all, I should say that our finance critic is generally in support of what is being proposed in terms of amendments. After all, this builds upon the anti-money laundering legislation that our government brought in in 2001. We have now had the benefit of a few years and the government is reviewing the feedback and the experience to date. It is very timely to bring in some amendments.

I would like to touch on one point that I made yesterday which is that one of the amendments actually removes lawyers from the list of those financial intermediaries who need to report suspicious transactions to FINTRAC, the Financial Transactions and Reports Analysis Centre of Canada. This is something that the committee should look at very carefully.

Government Orders

What we contemplated when the government brought in this law was that, for example, a citizen would sit down with his or her lawyer and say, "I would like you to keep this \$300,000 in cash in safe keeping for me". The lawyer under the law as we have it would then say to the person, "Do you realize that I am required under the law to report this to FINTRAC, the Financial Transactions and Reports Analysis Centre of Canada, as a prima facie suspicious item?" The client would either say, "Yes, I understand that. Therefore, I will take my \$300,000 back", or "Yes, you may proceed".

On that basis the lawyers in this country have challenged that this takes away from solicitor-client privilege and an appeal court has agreed with them. This amendment takes the lawyers out of the loop of the money laundering reporting, the suspicious transactions reporting.

We know that the vast majority of lawyers in this country are honest people. The small minority of people who would take part in money laundering transactions will now find this loophole. The committee should carefully look at that. There are not many realistic options. Finance Canada and FINTRAC are negotiating with the legal profession to see what can be done. This is a serious matter.

There are other amendments. For example, it is a requirement by financial intermediaries to report suspicious transactions to FINTRAC. As it now stands, the law has some criminal sanctions if the financial intermediaries do not report. What these amendments call for is a lesser level of sanction for lesser violations of the reporting requirements under the act. That seems to be a reasonable request.

There is one issue that is difficult and I know that the House committee, the Auditor General and the committee in the other place have highlighted this, and that is Parliament's oversight over FINTRAC. How do we know that FINTRAC is operating within the mandate that it was given by Parliament? How do we know that the privacy rights of citizens are not being violated? How do we know that it is getting results? Has the information that it is providing to the RCMP and CSIS led to any arrests or convictions? That is something the committee should look at as well.

There are other aspects in terms of these amendments that warrant careful examination by the committee. As I said yesterday, when the legislation was introduced, the focus was put on monetary instruments. In other words, all laundered money eventually finds its way or should find its way into a bank account or into cash of some kind. The reality is that the money launderers become more clever and there is a chance that they could be dealing in precious metals or minerals, or items that are not monetary instruments. That has to be looked at. The proposal here with respect to currency traders, for example, is that they be brought under a regulatory ambit that would be managed by the federal government.

●(1315)

The typical exchange dealers one would find in airports, and I am not going to give any commercial names, but many would be familiar with these operations, right now they are required to report suspicious transactions to FINTRAC. They are considered to be financial intermediaries but it is not a very defined or regulated sector. These amendments propose to bring that under tighter scrutiny.

In 2001 when the Liberal government brought in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, we laid out the objectives of the act: to facilitate the detection, investigation, and prosecution of money laundering and terrorist activities financing offences, and to deter money laundering and terrorist financing activities; to respond to the threat posed by organized crime, while protecting personal information; and to assist in fulfilling Canada's international commitments.

One of the issues that was dealt with at the time is the balance of the type of information and the reason that certain information could be passed from FINTRAC to the law enforcement agencies and to CSIS. There is always a careful balance between the need for Canadians to be protected from money launderers but also the need for their privacy to be protected. The amendments proposed here call for an added level of information that could be provided by FINTRAC to law enforcement agencies and CSIS to decide if there is a trend that they want to analyze and pursue further.

The law still requires that if CSIS, the RCMP or other law enforcement wish to take the issue further, they would have to go to a court and get a judge's permission for FINTRAC to release information above and beyond what we call boiler plate information or basic raw data. Those provisions still stand, although there are increasing abilities to provide additional information under the proposals before us.

The other aspect of these amendments reinforces the need for the banks and financial intermediaries to know their customers. Knowing one's customers is key because that is the way to deal with money laundering activities before they begin.

There are some other elements to the amendments, but I have touched on the major ones. Having been involved in a modest way in 2001 in the design and set-up of the original legislation and the establishment of FINTRAC, my view would be that these are worthy amendments. They should be debated and witnesses should be brought forward with respect to some of the amendments, but generally I believe they should receive the support of the House. Certainly I will be voting for the bill to go to committee for further evaluation.

●(1320)

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, on behalf of the Bloc Québécois, I am pleased to state our position on Bill C-25, which is now before us.

At the outset, I would reiterate that the Bloc Québécois plans to support this bill. Obviously, we will take all necessary measures, in committee and elsewhere, to ensure that the right of citizens to protection of personal information is respected.

That said, with respect to the principle underlying the bill, the Bloc Québécois has always felt that fighting terrorist activity funding is one of the greatest challenges in fighting terrorism. The provisions in this bill will also apply to the fight against organized crime, which has been a Bloc Québécois priority for a long time now.

Government Orders

We have introduced a number of bills to make things more difficult for organized crime. As you know, one of our colleagues in this House, the member for Saint-Hyacinthe—Bagot, has been working for a long time now to protect Quebec farmers who have been taken advantage of by organized crime groups that used their land to grow illegal crops. We will continue to pursue our long-standing fight against organized crime.

We also think that this bill will enable Canada to comply with the recommendations of the Financial Action Task Force on Money Laundering.

I will begin by providing some background on the bill to put it into context.

On December 15, 1999, the then Secretary of State, the hon. member for Willowdale, tabled, on behalf of the Minister of Finance, Bill C-22, to combat money laundering. It was quite similar to Bill C-81, presented earlier in 1999, which simply died on the order paper when that session of Parliament prorogued.

The broad purpose of the bill was to remedy shortcomings in Canada's anti-money laundering legislation, as identified by the G-7's Financial Action Task Force, FATF, on Money Laundering in its 1997-1998 report.

In addition, the FATF recommended that reporting requirements in Canada be made mandatory—rather than voluntary, as is currently the case—and that a financial intelligence unit be established to deal with the collection, management and analysis of suspicious transaction reports.

Bill C-22 was passed and since then it has been mandatory for regulated financial institutions, exchange offices, casinos and other financial intermediaries to report suspicious financial transactions.

Another of the bill's objectives was to put in place, together with the Canada Customs and Revenue Agency, a system for reporting large cross-border movements of currency. The bill also provides for the creation of a new independent agency, namely the Financial Transactions and Reports Analysis Centre of Canada, which will receive and administer the information reported.

Bill C-22 was enacted on June 29, 2000, and replaced the Proceeds of Crime (Money Laundering) Act then in effect.

We are now going from Bill C-22 to Bill C-25, with which we will try to go further than we did at the time.

The Conservative government is proposing to amend Bill C-22 with the bill we are debating in this House today to increase financial institutions' duties to keep records and report suspicious transactions, with a view to eliminating money laundering and funding for terrorist organizations.

I will come back to that in further detail later in my presentation, but first, the bill extends the application of the act to all organizations that, in addition to dealing in securities, deal in other financial instruments.

• (1325)

So we are also going to add persons and entities that transmit funds by any means or through any intermediary.

Previously, this obligation to report information was provided for in section 83.01 of the Criminal Code, which stipulated that the RCMP or CSIS should be notified of the existence of property belonging to a terrorist group. So we will be going a bit further for any transaction that seems suspicious.

The other new thing in this bill is the prohibition against anyone opening a bank account for a person or an agency if the client's identity cannot be established; this seems logical. Under this bill, any financial institution dealing with a politically exposed foreign person—I shall come back to this a little later on—should make sure that senior management has given its approval before undertaking a transaction with this type of individual.

We will take the necessary steps to make sure that, if a Canadian bank is dealing with a bank or another institution, it is a real bank, not a fictitious one, a shell bank. That too seems to be quite an appropriate precaution.

Bill C-25 requires foreign subsidiaries of Canadian banks to comply with the same rules as Canadian banks. So we are going to try and extend our actions to the limit of our powers.

Finally an official of the revenue department will now have the power to transfer any information transmitted by another official under the Charities Registration (Security Information) Act to the Financial Transactions and Reports Analysis Centre of Canada. This power is designed to more readily combat the financing of terrorist organizations through so-called charitable organizations or through electronic funds transfers.

To continue this scenario, we must also talk about money laundering. Money laundering occurs when the revenue arising from criminal activity is converted into goods whose origin is difficult to trace, and has, in fact, been deliberately hidden. Thus proceeds of crime are disguised in an attempt to make them look legitimate.

Generally these are goods or assets arising from the illegal drug trade or other criminal activities, such as cigarette smuggling, burglaries and so on.

Since money laundering and the criminal activities it attempts to camouflage are clandestine in nature, understandably it is fairly difficult to get an accurate idea of the situation. The experts estimate, however, that between US\$300 billion and US\$500 billion worth of criminal funds enter the international financial markets every year.

The federal government estimates that between \$5 and \$17 billion is laundered in Canada every year. This is a significant amount of money. Although it is difficult to know the exact amount, given the source of the money, this gives us an idea of the seriousness of the problem.

The repercussions of organized crime go beyond mere economic consequences and the violence it causes. The social costs involved are also very high.

Government Orders

● (1330)

Obviously, regarding this area of the problem, we will try to resolve the issue of funding terrorist organizations. Terrorist groups are resorting more and more to the use of charities to ensure funding. Under the guise of charitable organizations, terrorist groups successfully accumulate the funds they need to plan and execute terrorist acts.

Furthermore, since the implementation of measures aimed at fighting large, structured terrorist organizations, such as al-Qaeda, we are now faced with several independent, separate cells. While larger organizations need enormous amounts of money to finance their operations, weapons purchases and international movements, the new wave of terrorism does not need as much money to achieve its ends. Thus, there is a greater need to develop means to fight against this type of funding.

The Financial Action Task Force on Money Laundering—or FATF—was created in 1989 at the G-7 summit in Paris. Its primary objective is to fight money laundering and the funding of terrorist activities. The task force now exists and has 33 members.

I would now like to talk in greater detail about the provisions that amend Bill C-22.

The first thing that Bill C-25 amends in Bill C-22 is the mandatory reporting of suspicious transactions in clauses 5 to 11. Under Bill C-22, the reporting of suspicious transactions, which is currently voluntary, would become mandatory. The obligation to report would extend to non-banking financial institutions and certain other businesses. Therefore, the reporting requirements would apply to regulated financial institutions, casinos, foreign exchange traders, stock brokers, insurance companies and persons acting as financial intermediaries, such as lawyers and accountants.

Bill C-25 will add to the list all organizations that make electronic funds transfers, issue or redeem money orders or traveller's cheques or deal in financial instruments. Departments and agents of the government that sell prescribed precious metals will also be subject to the legislation. These persons and institutions would be required to report certain prescribed categories of financial transactions as soon as they have reasonable grounds to suspect that the transactions are related to a money laundering offence.

Bill C-25 includes a measure pertaining to what are called “politically vulnerable” individuals. An institution will not be able to do business with this category of individuals without first obtaining the approval of senior management. Who are these politically vulnerable individuals, as defined in the bill? They include heads of state or government, members of the executive council of a government or members of a legislature, deputy ministers or people of equivalent rank, ambassadors or attachés or counsellors of an ambassador, presidents of state-owned companies or state-owned banks, heads of government agencies, judges, leaders or presidents of political parties represented in a legislature and holders of any prescribed office or position. All these people are considered politically vulnerable. Before an organization does business with them, its senior management will be informed and will have to act accordingly.

● (1335)

Bill C-25 also sets out more stringent rules and responsibilities for banking institutions. For any interbank transaction, the Canadian bank shall ensure, under sanction of law, that the corresponding foreign counterpart is not a shell bank, which makes sense. In addition, all foreign subsidiaries of a Canadian bank must follow rules that apply to Canadian banks located in Canada.

According to the provisions of the bill, not reporting this type of transaction will constitute an offence subject to a fine of not more than \$2 million or to imprisonment for a term of not more than five years on conviction on indictment and a fine of not more than \$500,000 or imprisonment for a term of not more than six months for a first offence on summary conviction. In the case of a second offence, there is a fine of not more than \$1 million or imprisonment for a term of not more than one year on summary conviction.

Bill C-25 extends these provisions to all new entities governed by this regulation.

The second major set of amendments made by this bill, clauses 12 to 39, covers the declaration of significant transborder movements of currency. Individuals who import or export large amounts of currency or monetary instruments, such as travellers cheques, must report these to a customs officer. Failure to do so may lead to seizure of the currency or instruments transported unless the individuals decide not to proceed further with importing or exporting them. A mechanism is put in place for that purpose, and we will add, in clauses 15 and 16 for example, provisions authorizing customs officers to search a person or the vehicle of a person if they suspect on reasonable grounds that the person has secreted on or about their person currency or monetary instruments not reported pursuant to the law.

Another provision will make it possible for Canada to enter into an agreement with the customs agencies of foreign states which have similar reporting requirements for transborder movements of currency and monetary instruments.

The third important element is the creation of the Financial Transactions and Reports Analysis Centre of Canada covered under clauses 40 to 72. This bill will create this new government agency, which will be independent and will be responsible for gathering and analyzing the reports it receives under the legislation. The Financial Transactions and Reports Analysis Centre of Canada will be a central repository for information about money laundering activities across Canada.

The proposed legislation authorizes the centre to provide key identifying information of suspicious transactions to the appropriate police force if it has reasonable grounds to suspect that the information would be relevant to investigating or prosecuting a money laundering offence.

Government Orders

It is important to note that the role of the centre will essentially be to gather information, process it and determine the potential problems and suspicious cases that will be passed on to the police forces. They will be in charge of determining whether to take action or not. I had a chance to meet, at the Standing Committee on Finance, someone from an existing organization in Canada that does similar work. I imagine the centre and the agency will join forces to try to identify suspicious patterns in a series of financial transactions.

The centre will also raise awareness among and provide information to the public on this type of problem. It will also be authorized to subpoena witnesses and to make an order for the production of documents.

I would like to close with the offences covered in the legislation in clauses 74 to 82. The sanctions for breaching these requirements are described in these clauses.

● (1340)

Bill C-22 implemented tough criminal penalties for serious offences. Bill C-25 will implement administrative penalties for less serious offences in order to ensure that the rules are respected by all players in the financial system.

[*English*]

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I listened carefully to the comments of the member opposite. We support the bill and we want to see it come to committee, but we do have some concerns. I have some questions and would like to hear the member opposite's opinion on them.

This will be a tool for our law enforcement agencies to deal with money laundering and terrorist financing, but there are still some concerns around the whole issue of foreign access to the information that we would like to see addressed. What does the member think of that?

We are also concerned that the bill would remove the obligation of the legal profession, of legal counsel, to file suspicious transaction reports. We see that as an important component of any effective money laundering legislation on organized crime. Could I also hear his opinion on that?

Canada's Privacy Commissioner has also expressed concerns that the act is intrusive in regard to some privacy rights, and has called for accountability structures to be put in place.

Finally, one of the issues that is missed in all of this and needs to be incorporated would be a process of civilian monitoring of the legislation and an agency.

Does the member opposite agree with those concerns and does he also feel there should be a civilian monitoring component to this legislation?

[*Translation*]

Mr. Thierry St-Cyr: Mr. Speaker, I undoubtedly share some of the member's concerns, particularly where foreign access to information is concerned. The bill states that agreements or arrangements may be entered into with foreign institutions or agencies that have policies similar to ours.

We will indeed have to see what that means exactly. Will it allow a two-way exchange of information to better combat money laundering?

Among the points raised by the hon. member, the main one, the one of greatest concern to me personally and to the Bloc Québécois is unquestionably the protection of privacy. As I said at the beginning of my speech, this is a fundamental issue and a very important one.

Naturally, at this stage, we are debating the bill's principle. I think that this is how our colleagues from the NDP see it as well. The principle is good. At committee, we will have to take a more detailed look at what impact the bill could have on people's privacy and see whether it is well balanced in terms of the fine line between privacy, on the one hand, and national security or the fight against organized crime, on the other. If the proper balance has not been struck in the bill as it stands, my colleagues from the Bloc Québécois will work at making or supporting amendments designed to provide greater balance.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I also share the concerns of hon. members with regard to the balance between the need to deal with money laundering and financing of terrorists with the importance of protecting the privacy rights of Canadians.

However, yesterday in debate, during questions and comments, there was a suggestion that somehow, because of the seriousness of the risk associated with terrorism, there should be some kind of a reverse onus and a tougher view on the proceeds of crime. My concern with that is the basic fundamental rights of all Canadians. Even criminals have rights in Canada. We need to protect the presumption of innocence, the rule of law, the Charter of Rights and Freedoms and the Constitution of Canada.

Would the member agree that we have to be extremely careful not only in balancing the need to deal with these crimes with privacy, but also to be absolutely sure that the rights and freedoms of all Canadians are equally protected? As the member well knows, if the rights and freedoms of one Canadian are not protected and defended, then the rights of all Canadians are not protected and defended.

● (1345)

[*Translation*]

Mr. Thierry St-Cyr: Mr. Speaker, I certainly do think that we must be very careful with the balance we strike and we must respect the rights of all Canadian citizens.

My hon. colleague spoke about the rights of criminals. We often hear people accuse us of protecting criminals. The problem is that, at the time when we protect them, we do not know yet whether they are criminals or not. That is why we have the presumption of innocence in our society to protect everyone, including potential criminals, for the simple reason that we do not know in advance if they are or not.

We must therefore always be very careful in this regard and uphold the basic principles of our democracy.

Government Orders

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I want to build on the question my colleague, the hon. member Mississauga South, asked. He made reference to an exchange that took place yesterday between he and I about whether we should not expand in Bill C-25 the idea of reverse onus on the seizure of assets purchased from proceeds of crime. Would my colleague not agree that it makes sense in very narrow circumstances?

In the case where a person is a known member of an illegal organization or a criminal organization, for example, the Hell's Angels, and that person has assets such as a luxury mansion, two cars in the garage, the speed boat, all the trappings of luxury, but has had no visible means of income for the last 20 years, why should we not be able to seize those assets and put the onus on him to demonstrate that he did not purchase them with the proceeds of crime? The province of Manitoba introduced legislation like this which would be law had it not been blocked by two Liberal members of the legislature.

Why should we not use this opportunity to give police and law enforcement officers the tools they need to do their jobs? When we see glaring cases of wretched abuse by known criminals, why should the burden of proof be on us to prove beyond a doubt that they bought that luxury home or whatever with the proceeds of crime? Let us put the reverse onus on them and make them prove they did not, that they earned it honestly.

[Translation]

Mr. Thierry St-Cyr: Mr. Speaker, as I said previously, I think that at this stage, when we are deciding whether to support the bill in principle, I can say we support it, although I am very aware that a balance must be struck.

This important work should be done in committee. The Bloc Québécois has always absolutely insisted on this. We are not going to sell out our rights as citizens for security reasons, although at the same time, security issues and fighting organized crime are important. They cannot be overlooked. We cannot go entirely in one direction or the other. There has to be a balance, and that is what we want to work on in committee. We will study all the proposals in committee and assess which ones are best for our citizens.

• (1350)

[English]

Mr. Pat Martin: Mr. Speaker, I will narrow down my original question. It was a former member of the Bloc Québécois, Richard Marceau, who promoted the idea that we should be able to seize the assets of a convicted criminal, who is a member of a criminal organization, and put the reverse burden of proof on the individual when it was a proceed of crime.

Would he not agree with his former colleague, Richard Marceau, that we should expand Bill C-25 to do that, while we have this opportunity?

[Translation]

Mr. Thierry St-Cyr: Mr. Speaker, unfortunately I have not had an opportunity for a few days to speak with Mr. Marceau. I would have liked him still to be with us here in the House. That would certainly have been good for the people in his riding.

When the proposals are made in committee, we will study them seriously, and if appropriate, we will certainly support them.

[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, Bill C-25 would expand programs that we have already. To some degree, from that experience, we are plugging some loopholes and expanding the use of these programs to deal with money laundering and proceeds of money laundering and with terrorist financing.

As has already been expressed by some of my colleagues from the NDP, we will be supporting the bill at second reading. As opposed to a half dozen or more other crime bills that have come from the government, this bill at least makes sense. It would address some real problems in the country with regard to money laundering by organized crime and terrorist financing from either potential terrorist groups in the country and, as often as not, from outside the country who are using Canada, as we know, mostly as a conduit.

Some of the money is raised in Canada but a great deal of both the money laundering from organized crime and from the terrorist groups outside the country is coming from outside, moving through Canada and on into the United States or back to other countries where it is used to finance terrorism in those countries.

We do have some concerns about the bill and my colleague from British Columbia just raised one of them. We do not seem to be able to figure out a way to accommodate the legal community in terms of the lawyers and the law firms having to report either suspicious transactions or large sums of money passing, mostly through their trust accounts but through their offices. That has been an ongoing problem.

The bill originated, I would say, at least two years ago and maybe three, and has been held up all that time because of the ongoing dispute between the law societies across the country and the federal government. The law society, in a previous piece of legislation, actually challenged the government in court and was successful in having itself excluded under the terminology and provisions of that particular law. We were hoping that this bill, which we hope will eventually become law, would have included at least some meaningful reporting from the legal community.

We will explore this more at the committee to see if there is some possibility of that happening and, if not, an explanation as to why not and also what types of negotiations have gone on between the federal government and the legal community, the law societies in particular, to try to resolve this issue.

Statements by Members

One of the very good points about the bill is that it does include the foreign exchange shop. We know from a number of reports that we have had from police sources and our intelligence sources that repeatedly, because they are not covered by the existing law, people have gone to foreign exchange shops, exchanged large amounts of money from one currency into Canadian currency and oftentimes go to another shop to exchange that into another currency, oftentimes U.S. currency, and the money moves on out of the country without any formal recording. This will cease with this legislation coming into effect. It is one of the major holes that we have in our system of protections, both against organized crime and potential terrorist groups, and it badly needs to be plugged.

There is also a concern about the cost of the administration of this program as it is now, and that will become somewhat more onerous, because again, we are bringing in more private sector companies which will be responsible for additional reporting.

I know from my colleague from Winnipeg that there has been some expression of concern from small credit unions about their ability to provide sufficient resources, both in terms of technology and in terms of personnel to meet the requirements of this reporting.

• (1355)

That is another matter that needs to be explored at committee, and in particular, to see if the federal government could be doing something to assist smaller operators who are affected by this legislation. It may be by providing them with a software package that would let them track the funds or it may be suggestions on how small financial institutions can streamline their process and still meet the requirements of the act without making it too onerous for them to perform their responsibilities.

I want to raise one additional problem, which concerns how this information is used, and I will do it in two contexts. The Auditor General, Ms. Fraser, issued a report on the central agency, FINTRAC, which is the intelligence gathering organization in this country that sifts all this information and helps identify whether in fact it is coming from organized crime or from some terrorist activity.

In her report, which I believe was for the 2003-04 period of time, she found that although a number of transactions had been identified and had been, as permitted under the legislation, reported to both the RCMP and CSIS, neither of those agencies appeared to have used the information, either for investigation purposes or for laying charges. That appears to be an ongoing problem and it is of concern. FINTRAC was running in that year on a budget of about \$31 million annually. If we are spending that amount of money on this intelligence gathering program, we should be seeing some results.

In the two subsequent years of 2004-05 and 2005-06, again there appears to have been limited use made of this. This is something that will need to be explored at committee to ensure Canadian taxpayers receive good results from their tax dollars that go into these services.

The other context where I would like to address the use of this is the issue of privacy and, in particular, the risk that some of this information will find its way into the United States and, under the patriot act, be disclosed to a number of agencies in the U.S. I have not been convinced that we have closed all the loopholes so that this

information, the intelligence and results of the investigation which are badly needed in Canada, does not go into the United States.

STATEMENTS BY MEMBERS

• (1400)

[English]

VOLUNTEERISM

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, I rise today to pay tribute and give thanks to the many volunteers in my constituency of Brandon—Souris.

This past summer I attended and participated in numerous festivals, reunions and anniversaries throughout Brandon—Souris and found, each and every time, a core of people who tirelessly give of themselves to promote and showcase their communities.

A recent gathering at the Communities in Bloom awards ceremony reinforces this sense of pride and accomplishment. Winning entries, such as the international honour earned by the town of Boissevain, recognized the meaningful contribution of volunteers.

The city of Brandon hosted the National Special Olympics this past summer and the outpouring of volunteers and the dedication of the local organization committee made this a special time for all participants and made this event one to be envied by all Canadians.

I salute the volunteers in Brandon—Souris who continue to give of themselves for the success and prosperity of their communities and regions. When people across Canada ask me to tell them a bit about my community, this is the example I use to show the greatness of our communities.

* * *

DIWALI AND EID UL-FITR

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, it was truly an honour for me to attend Diwali celebrations with Hindu and Sikh communities.

It was also a great honour to be part of the various Eid ul-Fitr celebrations with Muslims in the Mosques and homes throughout our community. The dedication to faith, family and community is truly inspirational.

It is during the time of Eid that we should all celebrate the positive contribution of the Muslim community to our great country.

I am sure that everyone had a happy Diwali.

I send my best wishes on this joyous occasion to my Muslim brothers and sisters who celebrated Eid yesterday and who are celebrating today.

Eid Mubarek!

Statements by Members

[Translation]

SÉJOURNELLE SHELTER

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, spousal abuse is a major problem and protecting victims is a serious issue. Between 1991 and 2004, 66 women were killed by their former spouses in Quebec. In 2004, there have been nearly 6,000 complaints involving threats, harassment, forcible confinement, assault or attempted murder.

This is why a unique, innovative cross-sectoral project was launched in Shawinigan in the Mauricie region. It is a pilot project to allow better communication between the various stakeholders in the area of spousal abuse. The Séjournelle shelter initiated and now leads the project. It was recently featured on a public affairs program and has even been copied in Europe.

We are still having difficulty protecting the victims of spousal abuse, which is why I cannot understand how the Conservative government can make such significant cuts to women's assistance and alternative justice programs. This is unacceptable.

* * *

[English]

ARTS AND CULTURE

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, today I would like to honour Bonnie Sherr Klein.

Bonnie has worked as a filmmaker and activist for over four decades. Bonnie's films examine important and controversial topics, including war, the Holocaust and pornography.

In 1987, her career was interrupted by a catastrophic stroke.

Bonnie has returned to filmmaking with her new documentary, *SHAMELESS: the ART of Disability*, which will screen tonight in the auditorium of the Library and Archives of Canada. This film, produced by the National Film Board of Canada, is her examination of the disabled art community and its attempts to dispel misconceptions about the disabled.

This is part of the reason the New Democratic Party will be bringing forward a Canadians with disabilities act which would produce the sea change required.

I thank Bonnie for making this film and sharing it with all of Canada.

* * *

RAILWAYS

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, members of the Railway Association of Canada, comprising close to 60 railway companies and their 500 supplier industry supporters, are on Parliament Hill today as part of their annual industry advocacy day, "On Track for the Future".

Representatives will be meeting with MPs to discuss rail's contribution to our economic prosperity, environment and quality of life.

Canada's railways do 65% of total surface freight activity measured in tonne-kilometres and yet produce only 3% of Canada's greenhouse gas emissions from the transport sector.

I am sure my colleagues in the House will agree that with the right public policies, freight and passenger railways can do more to de-stress our highways, unclog our borders and ports and improve the air we breathe.

* * *

● (1405)

BIOTECHNOLOGY INDUSTRY

Hon. Jim Peterson (Willowdale, Lib.): Mr. Speaker, 38% of Canadian women and 44% of Canadian men will be afflicted by cancer. Today, one out of four Canadians die from it and even more so later on as our population ages.

The good news is that great strides are being made in the treatment of cancer, especially through biologic medicines. Canada's biotechnology industry is world class, second only in the number of companies to the United States.

We must nurture an environment in which it will continue to flourish. This means a comprehensive biotechnology strategy stressing innovation, R and D, better intellectual property rules, smarter regulation, effective partnerships, real market access across borders, and most importantly, much greater patient access to new biologics here in Canada.

Cancer and other diseases can be beaten. Let us ensure that Canada's biotech companies remain global leaders in the ongoing battle to alleviate suffering and save lives.

* * *

JUSTICE

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, over my time as the member of Parliament for the tri-cities, no issue has been more frequently raised by my constituents than the frustration over the seeming injustice in our justice system.

I and this Conservative government have heard those concerns and we are taking action to make our streets safer.

For example, we have introduced tough new legislation. Bill C-9 will limit or eliminate house arrest for dangerous violent criminals. Bill C-10 will establish a mandatory minimum amount of jail time for gun violence. Bill C-19 will create a new Criminal Code offence for street racing. Bill C-22 will raise the age of protection to 16 and protect tens of thousands of children from sexual abuse.

In our budget we committed millions toward tougher border security and millions more toward hiring new police officers from coast to coast.

The first responsibility of the state, before all else, is to protect law-abiding citizens from those who would do them harm. For 13 years the Liberals did nothing and for 13 years the NDP encouraged the Liberals to soften our already soft laws on crime.

This Conservative government is getting tough on crime and protecting Canadian families.

* * *

[Translation]

SAINT-AMABLE FARMERS

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, on October 12, 2006, a large delegation of federal officials told farmers, horticultural growers and nursery owners in Saint-Amable that their land, contaminated by golden nematode, would henceforth be part of a regulated zone. The lives of these producers and their families, who have, for the most part, been without any income for months, have been turned upside down. Forced to destroy their crops and abandon their farming activities for an indeterminate period, these people cannot even count on emergency funding.

Today, during a House committee meeting, these producers conveyed their distress and condemned the lack of empathy of this government, which even had the gall to try to postpone their appearance. Instead of silencing these people whose lives are crumbling around them, the Conservatives should provide them with concrete and immediate assistance, as resolved by the delegates of the Bloc Québécois who met in Quebec City last Saturday.

* * *

[English]

YOUTH

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, there is a special group of students from my riding here today. They are participating in a program I call a capital experience where two student leaders from each of the seven high schools in my riding come to Ottawa for three days each October to learn about career opportunities and public life.

They visited Parliament, the Korean Embassy, Amnesty International, the Department of Foreign Affairs, CHUM studios, the Prime Minister's Office, the Press Gallery and SUMMA strategies.

I wish to thank those who shared their time with these students and thank the businesses and service clubs who sponsored them.

Today I welcome to Parliament: Natalie Istead and Marguerite White from Crestwood, Ryan Hawkrigg and Brian White from St. Thomas Aquinas, Jake Findeis and Josey Belli from Haliburton, Layne Hinton and Haley Mumby from I.E. Weldon, Kaleigh Clark and Allison Bishop from Brock, Ryan Haney and Emma Joyce from LCVI, Jon McNickle and Phillip Schmidt from Fenelon Falls, and Sefora Cuff from Apsley.

I ask my colleagues to join me in wishing these young people seated in the gallery all the best as they make decisions regarding their future careers.

Statements by Members

ACTS OF BRAVERY

Hon. Belinda Stronach (Newmarket—Aurora, Lib.): Mr. Speaker, I am honoured to rise in the House today to pay tribute to Constable Jason Griffiths of the York Regional Police Department. The York Regional Police are based out of my riding of Newmarket—Aurora

This month marks the one year anniversary of Constable Griffiths' heroic act of bravery. Constable Griffiths is a 2006 recipient of the award of excellence presented by the Canadian Professional Police Association.

This award commemorates his courage, professionalism and dedication to his community in the line of duty. Constable Griffiths acted selflessly while being faced with grave danger. His actions saved the life of a fellow officer, while he himself received several stab wounds.

It is the actions of officers like Constable Griffiths that make my riding of Newmarket—Aurora a safer place for its residents and make us all proud to be Canadians.

I ask all members of the House to join me in congratulating Constable Griffiths and I would like to salute the many men and women across our nation who every day risk their lives beyond the call of duty.

* * *

● (1410)

[Translation]

CITIZENS OF BEAUCE AND MÉGANTIC—L'ÉRABLE

Mr. Christian Paradis (Mégantic—L'Érable, CPC): Mr. Speaker, I would like to join the Conservative member for Beauce and the Minister of Industry in bringing to the House's attention the major flooding caused by heavy rains last Friday night in a number of cities and towns in Beauce, including Saint-Georges, Notre-Dame-des-Pins, Beauceville and Sainte-Marie, as well as in my riding of Mégantic—L'Érable, including Disraeli, Coleraine and Thetford Mines. Over 500 homes and a dozen businesses were flooded.

Residents of Beauce and my riding, Mégantic—L'Érable, demonstrated their typical determination and solidarity by rolling up their sleeves to clean up the huge mess left behind by the Chaudière, Bécancour and Saint-François rivers. With the focus on cleanup, Canada's new government joins us in applauding the courage of the people of Beauce and the citizens of my riding, Mégantic—L'Érable, and wishing them a speedy return to normal.

* * *

[English]

AFGHANISTAN

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, today in Ottawa the Senlis council documented how the flawed mission in southern Afghanistan is causing a famine, the likes of which are usually seen only in Africa.

Statements by Members

Canada must play a role in creating a new balance among humanitarian assistance, comprehensive peace building and security measures. Economic development and humanitarian interventions must be at the core of Canada's Kandahar efforts, addressing people's most basic needs.

Tragically, as Senlis Canadian president Norine MacDonald said today, five years after intervening in Afghanistan there is little to show for reconstruction and development efforts. This failure to deliver is fueling the insurgency, endangering the lives of Canadian troops and killing Afghan citizens.

Once again we call on the government to address the imbalance of this mission, and send immediate food and medical relief to address the deepening crisis in southern Afghanistan.

* * *

YMCA YOUTH INTERNSHIP PROGRAM

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, since 1997 the YMCA has been providing a great service through the federal public sector youth internship program. Established in partnership with the former government, the YMCA is creating the opportunity for thousands of young people to gain valuable employment skills and experience.

The program reaches those who need it most, youth who have not completed high school or those in transition from school to work. This helps break the cycle of no job-no experience, no experience-no job. In my riding 55 young people from Fredericton, Oromocto, New Maryland and Chipman have benefited from this program.

The Minister of Human Resources and Social Development must renew this program today and make a long term commitment, so the YMCA can continue to provide this opportunity for young Canadians for years to come.

I wish to commend the YMCA staff and volunteers for putting the motto "Build Strong Kids, Strong Families and Strong Communities" into practice.

* * *

[Translation]

FIGHT AGAINST AIDS

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, last August, while more than 24,000 people were participating in the XVI International AIDS Conference in Toronto, the Prime Minister of our country was conspicuously absent. He showed the world that he lacks leadership and compassion when it comes to one of the greatest scourges of our time.

It would have been the perfect opportunity to make up for shortcomings simply by listening to victims, stakeholders and researchers in the areas of AIDS prevention and finding a cure.

The Minister of Health and the Minister of International Cooperation made themselves look ridiculous by cancelling press conferences where they were supposedly going to announce Government of Canada funding.

Now that the dust has settled, the Prime Minister is still slow to take responsibility in the fight against AIDS. AIDS victims deserve better.

* * *

[English]

GOVERNMENT PROGRAMS

Mr. Brent St. Denis (Algoma—Manitoulin—Kapusksing, Lib.): Mr. Speaker, thanks to the sound fiscal policies of the previous Liberal government, the Conservatives inherited a budget surplus of over \$13 billion.

The Conservatives have, unfortunately, chosen to push their ideological "fend for yourself" policies and have unnecessarily cut funding to programs that promote women's equality, adult literacy, programs that make a difference in aboriginal communities, and regional economic development programs that strengthen economies in areas like northern Ontario, not to mention the earlier cancellation of programs to deal with the world's looming climate change crisis and the cancellation of the GST rebates for visitors to Canada.

I have met with francophone women in my riding and with tourist operators. I have heard from advocates for literacy and those searching for ways to promote greenhouse gas abatement technology. They all decry these cuts which are simply not needed because of Canada's strong financial position.

I support those who strongly urge the minority Conservative government to reinstate funding to these essential programs.

* * *

•(1415)

[Translation]

BLOC QUÉBÉCOIS

Mr. Luc Harvey (Louis-Hébert, CPC): Mr. Speaker, since it was established, the powerless party has bandied about projects that it will never be able to bring to fruition. Let us take stock of the Bloc Québécois.

In 13 years, the Bloc Québécois was unable to convince the federal Liberals to recognize the fiscal imbalance. In 13 years, the Bloc Québécois was unable to prevent the federal Liberals from meddling in provincial jurisdictions. In 13 years, the Bloc Québécois was unable to convince the federal Liberals to give Quebec a voice at UNESCO. In 13 years, the Bloc Québécois was never, absolutely never, able to achieve real results for Quebecers as it has always been and will always be in opposition in Ottawa.

Unlike members of the Bloc, Conservative members from Quebec defend the interests of Quebec in Ottawa. We have achieved what my friends in the Bloc cannot: real and concrete results.

*Oral Questions***ORAL QUESTIONS***[Translation]***MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES**

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, it is quite ironic that the minister of responsibility and transparency does not sit in this House. Michael Fortier, an unelected minister, responsible for most government spending, a political minister from Montreal, responsible for the lack of assistance for older workers in Montreal, is a Montrealer who refuses to face his electorate.

Why does Mr. Fortier, who ran the Prime Minister's leadership campaign and co-chaired his election campaign, not have the strength to run in the Montreal by-election?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Minister Fortier has promised to represent Montreal within cabinet and to run during the next general election. He will keep his promises.

[English]

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, we were told that Mr. Fortier would run. We just were not told which way he was going to run. He is running away. Of course, that is in conformity with the Minister of Foreign Affairs as well.

We cannot ask the Minister of Public Works questions in the House of Commons because he is not sitting here. The Prime Minister's closest political adviser was too busy to run in the last election, but he is not too busy to sit at the cabinet table. What makes Michael Fortier so special? Why is he not required to conform to parliamentary precedent and run in the Montreal byelection?

Why does the minister for accountability get to hide from democratic accountability?

[Translation]

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, it is quite obvious that the Liberal Party of Canada does not want Montreal to have representation in the federal cabinet.

We promised to ensure significant representation for Montreal and I can say to the Liberal Party that it will have its work cut out for it to find its own candidate for the byelection.

[English]

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, I think that was a clear admission from the Prime Minister that Michael Fortier could not win that seat.

This morning senior officials from Public Works, the Treasury Board and Human Resources refused to appear before the government operations committee to speak to government cuts in programs for adult literacy, women, minorities and students.

What is going on? We have a Minister of Public Works who defies all precedent and refuses to run for a seat in the House, and we have senior officials from his department and others who refuse to appear before the democratically elected representatives of Canadians in this House.

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, the Leader of the Opposition is entitled to his own opinion, but the Leader of the Opposition is not entitled to his own facts.

In fact, I appeared as President of the Treasury Board before the operations committee, the secretary of the Treasury Board appeared, and the assistant deputy minister of the Treasury Board appeared, all last week.

● (1420)

[Translation]

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, the Prime Minister supposedly appointed Michael Fortier to cabinet to represent Montreal and, yesterday, he had the audacity to say that his minister was doing a good job, this without giving a single solid example.

Given that the Minister of Public Works and Government Services cannot account for his work to the members of this House, will the Prime Minister report to us on the achievements of his minister for Montreal? What exactly has he done for the development of Montreal?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I can only say that, obviously, Minister Fortier has a great deal of work to do in the wake of the actions of previous ministers, such as Gagliano, and the Liberal Party of Canada.

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, the Prime Minister is unable to state a single achievement. This is just more idle talk.

Workers in Montreal are even being penalized by this minority Conservative government. I am referring to textile workers and film creators. And just this morning, we learned that workers at Bombardier are losing their jobs. Meanwhile, the minister is dodging and hiding in the other place.

Will the Prime Minister recognize that Montrealers are poorly served by his government?

Right Hon. Stephen Harper (Prime Minister, CPC): Obviously, Mr. Speaker, given the Liberal government's record, Senator Fortier has a lot of work on his hands.

I can assure the House, however, that the Conservative Party of Canada will have a good candidate running in that riding. I am anxious to see who will be running for the Liberal Party of Canada.

* * *

THE ENVIRONMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, on the pretext of re-evaluating all the environmental programs, the government has frozen the wind power production incentive. This is more evidence that this government does not consider the environment a priority.

Can the Prime Minister explain why he is making a point of re-evaluating the viability of environmental programs such as the wind power program, when numerous tax benefits for the oil industry are renewed year after year with no analysis?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I can only say that we have a long-term plan on the environment and particularly on air pollution and greenhouse gases. It will include technologies to develop renewable energy, including wind energy.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if it includes wind energy, I do not see why he is cancelling the program. He is suspending the program.

Is he not really saying, too bad for the Kyoto protocol targets; long live the oil companies? Nothing else interests him, because he is blocking all the initiatives except for the oil companies' tax benefits.

[*English*]

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, as the Prime Minister said, wind power will be part of the future. We believe that Canada is developing and emerging as an energy superpower and we want our reputation to ensure that Canada delivers clean energy.

Renewable energy will play a very important role in Canada's future energy mix, which includes everything from solar to biomass to wind. Obviously we believe this is very important and will play a fundamental role in Canada's future energy supply.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, after Kyoto, the government is getting ready to kill programs relating to clean energy, such as wind energy, by freezing all the money earmarked for them since April.

Yet in Quebec alone, this form of energy will require \$7.5 billion in investments over the next 10 years.

Is this not more evidence that by siding with the oil companies, as it is doing, the government is penalizing both wind energy and Quebec?

[*English*]

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, I think it is very important that we correct the record. In fact, this government has absolutely not killed the wind program. That program is fully subscribed, which shows the success of this program and how important wind is.

I will say again that renewable energy will continue to play a very important role in Canada's future energy mix as Canada emerges as an energy superpower. We want to ensure that Canada delivers the cleanest energy possible and we will be there to support it.

• (1425)

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, I can tell the minister that the program has in fact been suspended. The environment commissioner told us so.

Wind energy not only represents \$7.5 billion in investments in Quebec over the next 10 years, it also creates 43,000 jobs, according to the Canadian Wind Energy Association.

Will the Prime Minister admit that his government's energy choices favouring the oil companies could come at a huge cost to Quebec's economy?

[*English*]

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, the energy for this government is clean energy. We are working with all sectors, from the renewable energies and wind and solar to biomass. We believe nuclear energy has an important role to play in Canada's future energy supply, an energy that puts out absolutely no emissions or greenhouse gases

We are working with every single sector. We believe the future is in technology. Technology will help us win these battles. Canada will emerge as a supplier of clean energy and will deliver that technology around the world.

* * *

AFGHANISTAN

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Liberal-Conservative mission in Afghanistan is fundamentally unbalanced. We see that approximately \$1 is spent on aid for every \$9 spent on combat. We have media reports out today suggesting that as a result of this fundamental imbalance there will be more and more Afghans who starve this winter.

It is not just the NDP that believes the mission is completely off track. Dale Wilson, whose son died in Afghanistan, said yesterday that, despite originally supporting the mission, "the mission isn't moving forward...and my support has wavered".

Will the Prime Minister heed the growing calls of Canadians, including more and more military families, and rethink this mission?

Right Hon. Stephen Harper (Prime Minister, CPC): Once again, Mr. Speaker, Canada's efforts in Afghanistan are multi-faceted, obviously. There remain important security challenges in southern Afghanistan. Those security challenges are the very things that are threatening the well-being and the economic development and social development of the people of Afghanistan. That is why we are making sure we can promote security in that part of the country, so we can promote development and help the people with the very real challenges that the leader of the NDP mentions.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, Mr. Wilson is not the only military family member standing up and questioning this mission. Chris Craig, whose son is preparing for a second tour, and Paul Short, the father of a 25 year old army medic, are others.

Just as we in the NDP have done, they ask the tough questions to support their serving family members. Will the Prime Minister honour their courage and commit to refocusing this unbalanced mission?

Right Hon. Stephen Harper (Prime Minister, CPC): Once again, Mr. Speaker, I and other members of the government speak regularly to members of the Canadian Forces and to their families. We are proud to tell them that we are behind the work they are doing and we support it 100% all the time. We wish all members of this chamber would do the same.

Oral Questions

[Translation]

MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, yesterday the Prime Minister tried to convince us that the Minister of Public Works and Government Services, Michael Fortier—who still has not run for office—is useful.

Why did the Minister of Public Works and Government Services prevent his departmental staff from testifying before a House committee this morning?

An hon. member: He is scared.

Mr. Marcel Proulx: The minister is refusing to be accountable to the public. He is refusing to be accountable to this House. Furthermore, he is refusing to let his departmental staff be accountable to the committee.

What is the Minister of Public Works and Government Services trying to hide?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, we are proud of what Mr. Fortier is doing for the city of Montreal and for the province of Quebec.

What the member for Hull—Aylmer just said about the committee this morning is not at all true. I know because I was at the committee meeting; the member for Hull—Aylmer was not.

[English]

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, it seems the Minister of Public Works can hide, but he will not run.

The Minister of Public Works, in support of his Prime Minister, is still avoiding being accountable to the people, perhaps because his record so far is a bit thin. What has he done besides preventing his officials from testifying before a committee of the House this morning?

Is that what is stopping him from defending his record before Quebecers in a byelection? When will the minister answer to this House?

● (1430)

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I appreciate the opportunity from my colleague to tell him and the Liberal side what in fact Minister Fortier is doing on behalf of this government. In comparison to the Liberals, he has done an incredible amount on behalf of Canadian taxpayers in doing procurement reform and finding value for taxpayer dollars.

Let us look at the Liberals. When it comes to Public Works Minister who are Liberals, let us look at what they did for Canadian taxpayers. We do not have to look any further than Alfonso Gagliano, the theft of taxpayer dollars and the rotten record of Liberal corruption that we suffered for 13 years.

Michael Fortier is getting results for Canadians and results for Quebecers and we are proud of his work on behalf of Canadians.

* * *

GOVERNMENT PROGRAMS

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, late yesterday, officials from Human Resources, Public Works and Treasury Board were ordered by government officials not to appear before the government operations committee. These public servants had been scheduled to testify about the meanspirited budget cuts of the minority Conservative government.

Why are the ministers preventing public servants from testifying on the impact of the government's ideologically driven attack on adult literacy and the court challenges program?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, we are proud of the federal budget that we passed this past spring and we are proud of the budget decisions we make.

We are not muzzling anybody. The President of the Treasury Board was before the committee with his officials. Minister Fortier is going to be before the committee.

Any minister that the committee wants to have before the committee will be there to proudly talk about the fiscal record of this Conservative government. We found \$1 billion in responsible savings and we are going to pay down the federal debt by \$13 billion, giving my generation an opportunity to have a brighter future, because the Liberals were racking up the debt and that is irresponsible. We are going to fix their mess.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, that is just pathetic. Those members are proud of government cuts.

First the Conservatives muzzle cabinet ministers, then they muzzle their own caucus, and now they are muzzling public servants. It gets worse, as my colleague mentioned. The Minister of Public Works, who cannot answer questions in the House of Commons, is not allowing government officials to answer questions in committee.

Has the reaction to the cuts by the President of the Treasury Board been so negative that he had to muzzle government officials?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, as I said, nobody has been muzzled. The Minister of Public Works will be at committee. We will be at committee. We will be proud to talk about our government's accomplishments. The President of the Treasury Board has been there. Other ministers are going to be there. We are proud of what we have accomplished. Who should be ashamed? The Liberals should be ashamed for 13 years of corruption, for racking up the debt, and for ignoring the interests of the next generation of Canadians.

Oral Questions

Our fiscal plan, which was just announced by the Minister of Finance and the President of the Treasury Board, is going to pay down \$13 billion of the public debt, saving \$650 million this year, the next year, and the year after that, so we will have the resources to give Canadians the services they need.

* * *

[Translation]

ABORIGINAL AFFAIRS

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, in the coming days, aboriginal peoples will hold a major socio-economic forum in Mashteuiatsh, near Roberval, Quebec. The federal government will certainly take part in it.

How will the Prime Minister explain to them that Canada is the only country in the world other than Russia to have voted against the Declaration on Indigenous Peoples' Rights at the United Nations Human Rights Council and that it is getting ready to do the same at the UN General Assembly?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I am proud to co-chair the First Nations socio-economic forum in Mashteuiatsh together with my counterpart from Quebec. I would also like to congratulate Chief Ghislain Picard for all his hard work and for organizing this forum. Our government will be well represented by hon. members of this House: the hon. member for Louis-Hébert, the hon. member for Lévis—Bellechasse, the Minister of Transport, Infrastructure and Communities and the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec will be there.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I think the minister did not understand my question. I will reword it.

Is the minister not embarrassed to go to Mashteuiatsh when he is against the Declaration on Indigenous Peoples' Rights and the Kelowna accord?

• (1435)

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I appreciate the hon. member's question. He mentioned the UN Declaration on Indigenous Peoples' Rights. We would have supported that declaration if it had been clear, effective, responsible and fair. That is what this government wants.

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CANADA LABOUR CODE

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the Minister of Labour and member for Jonquière—Alma says that he cannot vote for the anti-strikebreaker bill, although he voted for it in 1991, because eight out of 10 provinces have no anti-strikebreaker legislation.

Can the Minister of Labour explain to us what connection he sees between the fact that eight provinces of Canada have no anti-strikebreaker legislation and the Canada Labour Code? He is the

person responsible for the Canada Labour Code. Why is he refusing to act?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, I would like to remind the members of this House that in 1999 there was a new bill and this question was reviewed by this House. It was decided that it was important to preserve a balance in labour relations. The Canada Labour Code permits the use of replacement workers, but they must not be used to undermine unions' representational capacity. If that is the case, the unions may complain to the Canada Industrial Relations Board and have the right to start proceedings for that purpose. Only two provinces have an anti-strikebreaker law. The other eight do not want one.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, it is very possible that a majority of the members of this House will vote for an anti-strikebreaker law tomorrow.

Will the minister, who voted for this law in 1991, use his status as Minister of Labour this time to overturn the will of the House and deny workers who are covered by the Canada Labour Code the protection of an anti-strikebreaker law?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, since the anti-strikebreaker law came into force in 1999, there have been 18 unfair labour practices complaints in Canada. Of those, 13 complaints to the Canada Industrial Relations Board were withdrawn, three were heard and dismissed by the board, and only two complaints are still pending.

Studies even show that in the provinces that have anti-strikebreaker legislation, disputes last longer.

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THE ENVIRONMENT

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, last Thursday, while the Minister of Transport was battling the Quebec government about the Kyoto protocol, his colleague, the Minister of the Environment, obtained a perfect score, if her aim was to be criticized by absolutely everyone.

Today's edition of the French newspaper *Le Monde* criticizes the government for caving in to George Bush. This is becoming embarrassing. The comments on her plan range from "bad" to "very bad" and even "rotten".

Which of these descriptions does the minister like best for her plan?

[English]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, as I indicated yesterday, cities and Canadians across the country want and need clean air. We know that smog days are rising while the opposition is playing politics with the clean air act.

If the opposition will not listen to Canadians, maybe it will listen to the Federation of Canadian Municipalities which said that recent announcements signal that the present federal government is prepared to take a leadership role and develop an environmental plan that is capable of delivering tangible results for Canadians. Mr. Speaker, it did not stop there. It said that municipalities can and want to be partners in—

The Speaker: The hon. member for Honoré-Mercier.

[*Translation*]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, today's edition of the French newspaper *Le Monde* refers to "Canada's surrender". It mentions that "—Canada, a former leader in environmental issues, now cuts a sorry figure".

The minister is being attacked on all fronts. The Quebec government is furious and feels betrayed. Environmental groups and top scientists are losing hope in the face of so much irresponsibility. And now, the international press is coming down on Canada.

I am sad to say the minister must be feeling very lonely. Apart from George Bush, does she have any friends left?

[*English*]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I will take friends like the Canadian Lung Association and the Canadian Medical Association who are saying that millions of Canadians suffer from lung cancer, and while the opposition refuses to help them, we are actually proposing Canada's clean air act which, for the first time in Canadian history, will actually regulate indoor air, which is the leading cause of lung cancer in Canada among non-smokers.

If the member actually cared about clean air and cared about the health of Canadians, he would support the act.

* * *

● (1440)

DECORUM

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Minister of Foreign Affairs, Canada's chief diplomat and our face to the world on issues like human rights, has compromised himself because of his highly publicized slight against women, a slight that is now being reported by international news services. It is condemned by the Canadian Federation of University Women, the National Council of Women, the National Association of Women and the Law, the YWCA, Equal Voice, the Canadian Council of Muslim Women, and many others.

Would it not be better to simply acknowledge the minister's mistake, apologize and distance the government from the implications of this ill-considered remark?

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): You have already ruled on this matter, Mr. Speaker, but certainly we can all do our part to raise the decorum in the House. The member suggests where we should start. Let me suggest something to him. Why does he not start supporting the clean air act which is the first real bill to clean up the environment that has been introduced in the

country in almost 20 years. He could be doing that, rather than spending the House's time on this business.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, in dealing with the horrible slur against women uttered by the Minister of Foreign Affairs, the government's tactic is obviously to stonewall and deny, deny, deny. Instead of being accountable, they seek to trivialize the matter and pretend it never happened. But it did happen, Mr. Speaker. It was witnessed personally by several members of the House. It was recorded on tape. It was verified in the news media.

I ask the government, does it specifically deny that the Minister of Foreign Affairs last Thursday during question period said, "You already have her". Did he say that or not?

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, you have already ruled on this matter, on what you heard and what is on the record on this. I was not here in the House on that particular day. In fact, I was very pleased to be welcoming the Prime Minister of Canada to my riding of Niagara Falls. I was not here that particular day, but I can tell the hon. member that we all want to raise the level of decorum in the House.

I would suggest to him that if he really wants to help the public interest, to get busy, to get behind the federal accountability act and some of the other pieces of legislation that have been stalled over in the other place. It would be much better for the hon. member to spend his time doing that.

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JUSTICE

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, when Canadians elected this new government, they elected a government to get tough on crime. They elected a government to stop the revolving door of the justice system.

One of the ways this government has started restoring Canada's confidence in the justice system is with Bill C-9, which implements our platform commitments to end house arrest for serious crimes.

Could the justice minister try to explain why the opposition has watered down this important bill?

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, our party promised to eliminate house arrest for people who commit serious crime.

Last night in the justice committee, opposition members, led by the Liberals, unanimously passed amendments that would virtually gut Bill C-9. The Liberals want house arrest to still apply to arson, to robbery, to auto theft, and to break and enter into homes. Victims of these crimes will tell us that house arrest is not a suitable punishment; it is a joke.

Why will the Liberals not help us restore Canadians' confidence in the justice system?

*Oral Questions***HOMELESSNESS**

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, on August 17 the Minister of Human Resources and Social Development stated in reference to SCPI, which is a very crucial program for homeless Canadians, “There have been no reductions and will be no reductions to this funding”.

I would like to ask the minister what funding plans the government has for SCPI for fiscal year 2007-08 and fiscal year 2008-09.

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, this government cares about the homeless. That is why one of our earliest actions was to extend the national homelessness initiative, because we wanted to ensure that the needs were being met.

We also promised Canadians that we would review all programs to make sure that they were delivering value for money.

We are taking advantage of delivering these programs to meet the needs while we evaluate them and look for opportunities to even better serve the needs of the homeless.

• (1445)

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, the government's review is a sham.

On the Treasury Board's own website, the government admits that it will cut 99% from SCPI funding, from \$133 million to \$2 million a year. The government cannot deny it. It is on its own website.

Can the minister explain how cutting 99% of the SCPI budget will help homeless Canadians, and can she explain why \$131 million has been cut from a program she said she would never cut?

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, I want to be very clear to the member for London—Fanshawe that this government has no intention of cutting SCPI.

* * *

HEALTH

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, two Canadians are fighting for their lives in a Toronto hospital after contracting botulism from contaminated carrot juice.

Now we learn that the Public Health Agency of Canada and the Canadian Food Inspection Agency saw the warnings and advisories from the U.S. a full two weeks before they passed this information on to public health officials.

Canadians need to know when food products are not safe. They depend on the government to protect them. Will the Minister of Health please explain why he failed to protect the health and safety of Canadians?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, this is a very serious case which concerns me and the Canadian Food Inspection Agency.

There was an isolated case. When it became two cases, we were notified. Working with our FDA partners in the United States, immediately, within 24 hours, a recall notice was put out and there

was a health advisory alert. We took immediate action to bring that to the attention of Canadian consumers.

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, the government did nothing while Canadians were being poisoned. Had it done its job properly, the attending physicians could have taken the proper steps to treat the patients appropriately. Instead, they were left scrambling to save the lives of their patients.

Health professionals depend on the government to help them act quickly in the event of a public health threat.

Would the minister explain why he has not been accountable to the Canadian medical community and why he sat on the information necessary to prevent Canadians from getting sick and to save those who were clinging to life?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I can tell the hon. member and the House that the Public Health Agency of Canada has been in constant contact with officials from around the world, including the United States, on these issues.

The initial cases, once it was clear what was going on, were isolated. As soon as we knew that there was a direct causation, that information was shared. The public health officials were doing their job.

If the hon. member was so concerned about it, perhaps when she was in government she would not have cut the budget of the health department, and we could have done more at that time too.

* * *

SOFTWOOD LUMBER

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, who are the real architects of the softwood lumber sellout? Last March we learned the Prime Minister's senior muzzlers, Ian Brodie and Derek Burney, went to Washington for secret high level talks to sell Canada down the river.

We now know that they hid their expense records for this trip and failed to file the required proactive expense disclosures.

Who paid for this trip? Why did they not follow the rules? Why exactly is the Prime Minister trying to hide this?

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, it is passing strange to take lectures from the Liberal Party opposite, the party that brought us Gagliano, the party that brought us Dingwall, the party that brought us the member for Eglinton—Lawrence.

This government has a higher ethical standard. We have a stringent proactive disclosure system. We want to even expand the rules by bringing in the federal accountability act, the toughest piece of anti-corruption legislation ever in Canadian history. We hope the member opposite will use his influence with the Liberal Senate to get that law passed immediately.

Oral Questions

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, when it comes to accountability, that government refuses to be accountable.

Here the members go again, dodging direct questions about how they broke the rules and broke their own promises. They can continue to play as if they are in opposition, but it does not cut it.

There are no proactive disclosure records for this stealth trip to the White House by Brodie and Burney. Did the government pay for this trip or did somebody else pay for it? If so, who? Why are there no records of this trip?

Moreover, why is the government trying to hide these secret meetings? Who is the real force behind this sellout? Why are the PMO's fingerprints all over it?

• (1450)

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, I know the Prime Minister and the Minister of International Trade brought back from Washington \$4.5 billion of Canadian funds.

We took more action in six or seven short months than the previous Liberal government did in six or seven years. We have nothing to apologize for but the good economic times that will assist an industry with many problems.

* * *

[*Translation*]

ACCESS TO INFORMATION

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, in its election platform this government promised a complete overhaul of the Access to Information Act. This is quite appropriate in view of one of Justice Gomery's recommendations that public servants keep records of their activities and that the unlawful destruction of documents be penalized.

Can the government explain why it has done nothing in this regard even though in its election platform it had promised to reform the Access to Information Act?

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, Justice Gomery's report has been taken very seriously on this side of the House. We read it as soon as we received it. And the first thing we did in this House was to introduce the Federal Accountability Act.

This is the greatest piece of legislation in the history of Canada to fight corruption. In this legislation, there are not 5, not 10, but 30 new government organizations that are now subject to the Access to Information Act. We are very proud of the fact that there is greater access to information. Furthermore, we wish—

The Speaker: The hon. member for Montmorency—Charlevoix—Haute-Côte-Nord.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the government has set aside Justice Gomery's recommendations, particularly those regarding the Access to Information Act, despite the fact that the promise of greater transparency was part of its election platform.

Why has it made such an abrupt about-face and why is it now ignoring Justice Gomery's recommendations?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, as mentioned by our hon. colleague, the President of the Treasury Board, we tabled the Federal Accountability Act, an extremely important piece of legislation that followed up on the recommendations of Justice Gomery. Furthermore, the remaining recommendations will follow in due course.

We were told that we had 24 months to react. What did Justice Gomery have to say? He said:

I believe that, in the long term, public servants have a greater awareness of the devastating consequences of not following the rules.

That is exactly what we are doing and I hope that the Senate will pass this bill.

* * *

MINISTERIAL EXPENSES

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec is supposed to know the law of Canada. It is clear: the expenses he has incurred in carrying out his duties must be made public.

But the minister did not see fit to comply with these requirements within the time allotted. This is a cavalier attitude for a minister.

Since the minister has stated that the expenses he should already have declared are being processed, can he at least tell us how much he spent?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, as I said yesterday, we are well aware of the rules requiring that we report our expenses to Parliament. This is what I do every time I come back to Ottawa.

During the summer, I came to Ottawa for half a day, I think, and I did not have my invoices with me at the time. I submitted them as soon as I returned.

That said—

Some hon. members: Oh, oh!

[*English*]

The Speaker: Order, please. The hon. minister will want to complete his answer.

[*Translation*]

Hon. Jean-Pierre Blackburn: That said, the expenses posted on the website are the ones that I have been reimbursed for to date, and the others will be included in the next report.

Oral Questions

[English]

JUSTICE

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, like many Canadians, I was horrified to hear that earlier this week a known sexual predator was exiled from the U.S. to serve his three year probation in Canada. As our laws are currently written, this man, Malcolm Watson, could not be charged in Canada for the same type of crime he committed in the U.S.

Could the justice minister inform the House about what measures the government is taking to protect our youth from adult sexual predators?

• (1455)

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, Bill C-22 proposes to increase the age of protection from 14 to 16 years of age. It also puts in place a close in age exemption of five years. The purpose is not to criminalize consenting sexual activity among teenagers, but to protect 14 and 15 year olds from adult sexual predators.

This is a common sense approach. It is supported by police and the public across the country. The opposition should also step up, support the bill and get it through the House.

* * *

ABORIGINAL AFFAIRS

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the attention of Canadians was recently focused on the appalling third world conditions in the community of Pikangikum, where only 5% of the homes have running water. It seems this did not matter to the Conservative government. Even though people are using pails to get water out of local lakes, this community was left behind when high risk water systems were identified.

Where is the minister's promised action on clean drinking water and when can the people of Pikangikum expect the same access to water as the people in Calgary, whom the minister represents?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I am well aware of the difficulties with the water system in Pikangikum. We have representatives working on that. They have met with the community. I met with my department about that as recently as last evening.

We are making progress with respect to water. As the House knows, within 45 days of my becoming the minister, we embarked upon a water strategy. We have identified the high risk communities and we are dealing with those. As recently as this past weekend, I opened a new water facility in Eden Valley reserve. I was the first minister to ever appear on that reserve.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, it sounds like a lot more talk and just not enough action.

Aboriginal communities in our country are desperate for the government to take actual action on clean water. The minister's expert panel on drinking water submitted its report more than a month ago and the minister promised to release a report in September. He said, "A report of the findings will be made public

in September 2006". That is from the minister's own release. Where is the report? It is nearly the end of October.

When will the minister release the report and its recommendations?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, once again, this is a matter that we embarked on shortly after becoming government.

I did strike a panel in concert with the Assembly of First Nations. That panel has worked across Canada. It has conducted public hearings. It is an expert panel. It has prepared a first cut of its report. I expect to meet with the panel shortly. I expect to have the final report in hand to share with the House of Commons sometime within the next 30 days.

* * *

TOBACCO INDUSTRY

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, my question is for the Minister of Agriculture.

The government made an extensive list of promises to tobacco farmers, yet today there is still no strategy, no timeline and certainly no money for these farmers. How can tobacco producers in my area plan for the future without a concrete timeline from the federal government? When will tobacco growers know what their future holds?

In short, when will the government keep its promises to tobacco farmers?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, as recently as last week, or perhaps the week before, the Minister of Health and I sat down with tobacco producers in Ottawa. We have had ongoing meetings with them to try to chart a path forward. The tobacco producers have put some suggestions forward. Their suggestions range in price tags up to \$1 billion.

We are working with the Ontario government, as well, to try to find the best path forward, which is both affordable and will help tobacco farmers transition out of the industry.

* * *

CHINESE CANADIANS

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, on June 22, the Prime Minister followed through on a promise to Chinese Canadians. He offered a full apology for the head tax imposed on them between 1923 and 1947. The head tax is a sad chapter in the history of our country and Chinese Canadians have been waiting a long time for redress.

When the Prime Minister delivered a full apology on behalf of all Canadians, he also promised that our government would make symbolic payments to surviving head tax payers or their spouses.

Could the heritage minister please update the House on the status of these payments.

• (1500)

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, after over 17 years of the Chinese community demanding recognition, as they were ignored, with no apology and no redress, the Prime Minister and Canada's new government has acted. In June the Prime Minister apologized in the House.

This past weekend I had the honour to present the first payments to three living head tax payers. They asked me to thank the Prime Minister and to say that he was a great man. The spousal payments will be coming shortly.

The government, Canada's new government, does the right thing and fulfills its promises.

* * *

TAXATION

Hon. Garth Turner (Halton, Ind.): Mr. Speaker, my question is for the Minister of Finance.

More than two million retired Canadians are currently paying an unjustified amount of tax. Why? Because one spouse stayed at home with the kids while the other went out to work. As a result, pension income is now taxed in the hands of one person at a higher rate.

The minister knows this is unfair and that MPs from all parties want these people to have pension splitting.

Will he give a commitment today to seriously consider this in the coming budget? If not, please tell us why.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we increased the pension income credit for the first time ever in budget 2006. We not only increased it, we doubled it from \$1,000 to \$2,000, benefiting seniors across Canada.

I understand the concern of the member on the issue of income splitting, which is a significant issue. It would affect the entire income tax system, which is based, as members know, on the individual. However, it is worthy of study and we are reviewing it.

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[Translation]

HEALTH

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, last Friday, Health Canada allowed the reintroduction of silicone breast implants by granting licences to the Mentor and Inamed corporations.

Could the Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario tell us why Health Canada took such a decision when new allegations made on October 12 by a former Mentor scientist, according to whom the company provided the U.S. Food and Drug Administration with inaccurate safety data, cast legitimate doubt on the safety of silicone breast implants?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I should tell the hon. member that scientific experts have reviewed more than 65,000 pages of documents,

Points of Order

including more than 2,500 scientific articles. They are confident of the safety of the approved products.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of Her Excellency Gunilla Carlsson, Minister for International Development and Cooperation and Acting Minister of Trade for Sweden.

Some hon. members: Hear, hear!

The Speaker: I would also like to draw to the attention of hon. members the presence in the gallery of the Honourable Joan Burke, Minister of Education for the Government of Newfoundland and Labrador.

Some hon. members: Hear, hear!

* * *

POINTS OF ORDER

RESPONSES TO ORAL QUESTIONS

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, I rise on a point of order to ensure the record is corrected. I am sure the Minister of Justice did not intend to mislead the House when, in answer to a question in question period, he said that he believed his party had promised to get rid of house arrest.

I will let him answer to this, but Bill C-9 did not get rid of house arrest as presented by the other government. It did try to put a wide net around house arrest but, in the wisdom of all the opposition parties listening to evidence, we narrowed that down to appropriate areas.

• (1505)

The Speaker: I will hear briefly from the Minister of Justice but it does not sound to me like a point of order. It does sound like an argument. However, the Minister of Justice may have something to say.

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I was simply expressing my concern that the Liberals support house arrest for break and enters, robberies, arsons and other serious offences like auto theft. I think the people of Canada are very concerned about that.

The Speaker: I am sure that matter is now well clarified.

The hon. member for Eglinton—Lawrence on a point of order.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, during question period, the President of the Treasury Board made mention of me in one of his answers. I have noted over the course of the last several months that he has used the tactic of bluster to hide his ignorance. He uses innuendo and allegation to mask his classlessness.

I wonder if he will add the fact that he is a coward and not willing to make accusations outside the House. Will that be his modus operandi from here on in?

Government Orders

The Speaker: The hon. member for Wascana is rising on a point of order as well.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, during question period, the Parliamentary Secretary to the Minister of Public Works and Government Services made the accusation that the previous government was “racking up debt”.

I would point out that during our years in office we reduced debt in both percentage and absolute dollar terms. We restored Canada's triple A credit rating and we recorded the best fiscal record in all the G-7 and of any Canadian government since 1867.

The Speaker: Again, I think we are getting into a lot of debate arising out of question period. I know the chief government whip enjoys hearing these points of order in case he has to respond but I think we will move on to other matters.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, during question period, the Minister of Justice referred to house arrest as a joke. I want him to know that Kimberly Rogers from Sudbury and her unborn child died while under house arrest.

I am wondering if he might want to apologize to Kimberly Rogers' family for that insensitive comment.

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I will not comment on any specific cases but I can say that Canadians do not in fact view house arrest as appropriate for arson, for break and enter and for auto theft. If that is another situation of someone being under house arrest and dying, maybe that illustrates my point. I am not familiar with the case but if she had been in an appropriate place where she would have received proper medical care that perhaps would not have happened.

GOVERNMENT ORDERS

[English]

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT

The House resumed consideration of the motion that Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

The Speaker: Resuming debate. Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

An hon. member: On division.

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance.

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

● (1510)

CRIMINAL CODE

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC) moved that Bill C-26, An Act to amend the Criminal Code (criminal interest rate), be read the second time and referred to a committee.

He said: Mr. Speaker, it is with pleasure that I speak today in strong support of Bill C-26, An Act to amend the Criminal Code, dealing with the criminal interest rate.

In its essence, the bill is about providing greater protection to Canadians. It is about enabling the regulation of an industry which, for better or for worse, has come to occupy a very real place in Canadian cities and towns.

Payday lending and the payday lending industry has, in the span of approximately 12 years, mushroomed in Canada to become an industry which is estimated to provide short term loan services to about two million people in Canada each year. It has a volume loan of approximately \$1.7 billion annually. I was pleased to table this bill on October 6, 2006, as I believe it would enable more effective protection of Canadians everywhere.

Before discussing the substance of Bill C-26, I wish to point out that these amendments are the result of a collaborative dialogue between the territorial, provincial and federal governments. In this respect, I wish to acknowledge with thanks my colleague, the Minister of Industry, for it was the discussions among federal and provincial ministers responsible for consumer affairs who helped to ensure that these proposed amendments would meet the needs of those provincial jurisdictions which choose to regulate the industry.

It is important to situate this bill within its proper context. Doing so will enable us all to better appreciate its significance and the very important and practical consequences it would have in ensuring that everyday Canadians who use the services of the payday lending industry have enhanced protection against questionable business practices.

As I said moments ago, the payday lending industry is a relatively new one in Canada. Despite this, payday lending has, nevertheless, become a familiar fixture throughout Canada occupying prominent places on our streets in our communities. Indeed, just a few blocks away from this place, if one were to take a stroll in either direction, east down Rideau Street or south down Bank Street, the prevalence of payday lending outlets are readily noticeable. This is no different for communities throughout Canada.

The payday lending industry is believed to have first appeared in Canada around 1994. Beginning in the western provinces, the industry has since spread across the country from west to east. Whether we are talking about Prince Albert, Saskatchewan; Pembroke, Ontario; or Charlottetown, P.E.I.; the payday lending industry is there. In fact, the industry is currently operating in every province and territory in Canada except in the province of Quebec. In the case of Quebec, the inability of the payday lending industry to operate is a result of that province's decision not to issue licences to businesses that would charge more than 35% annual interest. This has effectively prevented the operation of the payday lending industry in that province.

Government Orders

Despite the absence in Quebec, it is estimated that there are approximately 1,350 outlets in the rest of Canada. It is clear, therefore, that the industry is well established. It is equally clear that it is time for effective government regulation of this rapidly growing industry.

We believe it is important to ensure that those Canadians who do use the services of a payday lender are provided the necessary protection from exploitative business practices, particularly so among the most vulnerable members of our community. The amendments proposed by Bill C-26 would allow for this.

It is important to be clear about what we are talking about when we speak of payday lending and the payday lending industry. The concept of a payday loan has really become shorthand for what is essentially a short term loan for a small amount. Generally, loans of this nature are in the range of \$300 and extend for a period of about 10 days. The reasons that individuals choose to use the service of a payday lending industry are varied. Some use it for convenience while others use it out of necessity.

To date, loans of this nature have been provided by alternative retail lenders in Canada. Associated with this service, these alternative lenders will generally charge a range of administrative and processing fees as well as the interest associated with the borrowing of the moneys.

• (1515)

Qualification for these loans is generally straightforward. The borrower must first demonstrate proof of a steady income. Most obviously this is established through proof of employment, although employment is not necessarily required. Other sources of income can suffice in certain circumstances, including, for example, pension income. The borrower must have a bank account and must also provide a post-dated cheque or pre-authorized debit to the lender for the amount of the loan plus the associated fees and interest. Repayment of the loan is often due on the date of the borrower's next payday.

So in some respects, applying for and paying back a payday loan generally resembles other types of consumer lending. While the service provided is of a similar nature to other lending instruments, the specific form it takes is quite different.

For quite some time now, the payday lending industry has been the source of significant concern. Most notably, concerns have focused on the very high cost of borrowing, which in some cases can range in the thousands of per cent on an annual basis. Other concerns include the insufficient disclosure of contractual terms, aggressive and unfair debt collection practices, and the fact that these loans can quickly spiral out of control as a result of rolling over loans.

In light of these very real concerns, it is time for action.

This government has made a commitment to improve the lives of Canadian families. Bill C-26 reflects this commitment. Bill C-26 would amend the Criminal Code to enable provincial and territorial regulation of the payday lending industry. Currently, section 347 of the Criminal Code provides for an offence of entering into an agreement or arrangement to receive interest at an annual rate of more than 60%. Effectively, this creates the offence of charging interest at a criminal rate.

Section 347 was added to our Criminal Code in 1980. The principal policy rationale driving the inclusion of this provision was to address the practice of loansharking and that activity's role in relation to organized criminal behaviour. This was and remains a laudable goal. Organized crime poses a real threat to the safety and security of our communities. It did in 1980 and it continues to do so today.

Our government continues to take steps to better respond to the threats posed to our citizens and communities by organized crime. These include key legislative reforms in the area of gun crime as well as committing \$200 million to strengthening the ability of the RCMP to combat organized crime. We will continue to strengthen our responses in this area, ensuring safer streets and communities for Canadians.

While section 347 may have been meant to address organized crime, the reality is that the provision has been interpreted as applying to most lending arrangements in Canada, including payday lending. Despite this fact, it is important to point out that section 347 is not a consumer protection tool.

The amendments proposed by Bill C-26 would clear the way for the provinces and the territories to create the tools they need to regulate the payday lending industry. In essence, the amendments would provide an exemption from section 347 of the Criminal Code for payday lenders under very specific and circumscribed instances. This exemption would be set out under proposed new section 347.1 of the Criminal Code.

How would this exemption scheme operate in practice? I am glad you asked that question, Mr. Speaker. First, the proposed amendments would define payday loan for the purpose of the exemption. A payday loan would be defined to mean:

an advancement of money in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card.

While this definition may seem like a mouthful, it is an extremely important aspect of the proposed amendments. Laws and legal systems are meant to provide a certain degree of precision, clearly defining the limits of the behaviour which they purport to regulate.

• (1520)

By defining a payday loan in this fashion, the proposed amendments provide the precision necessary to ensure that the exemption will not capture other types of lending arrangements where the policy considerations at play are very different. These amendments are targeted in scope.

We have heard the concerns expressed by our provincial and territorial colleagues in relation to the regulation of the payday lending industry and we have demonstrated our commitment through Bill C-26 to working with them to ensure that Canadians are provided increased consumer protection measures.

Government Orders

The amendments would further prescribe the types of payday loan arrangements that would be subject to an exemption by providing two additional requirements. First, the amount of money advanced under the agreement cannot be more than \$1,500. Second, the loan agreement cannot be for more than 62 days. These are measured and well-considered limitations. They appropriately reflect what we know to be the typical payday lending situation, that is, a short term loan for a relatively small amount.

The proposed amendments specify additional requirements before providing for the exemption from section 347 of the Criminal Code. First, the payday lender must be licensed or otherwise specifically authorized under the laws of the province or territory in which the lender is operating. This presupposes the existence of a provincial or territorial consumer protection scheme. Importantly, the provincial scheme will have to include, for the exemption to apply, a limit on the total cost of borrowing under the payday lending agreement.

Should a province or territory wish to develop such consumer protection measures to address the payday lending industry within their jurisdiction, they will further need to seek a designation from the governor in council in order to provide an exemption from the application of section 347.

In practical terms this would mean that a province or territory which seeks an exemption under section 347 would write the federal minister of justice requesting that a designation for the exemption be issued. The request would need to detail how the province complies with the requirements proposed by these amendments, namely, that the province has legislative measures providing for a consumer protection scheme in place, which includes limits on the total cost of payday borrowing.

Assuming this is the case and acting on the recommendation of the federal Minister of Industry, the Minister of Justice would then ask the governor in council to grant or not grant the exemption. At any time, the province, through its lieutenant governor in council, can request that the designation be revoked. Similarly, the governor in council can revoke the designation if the legislation which establishes the consumer protection scheme established by the province is no longer in force.

This is a sensible and effective solution to a pressing concern in Canada. Bill C-26 facilitates the development of a consumer protection scheme in what has been a largely unregulated area. In so doing, the amendments recognize the constitutional authority over business practices possessed by the provinces and territories through their responsibility over property and civil rights. These amendments acknowledge that the provinces and territories are the most suitably placed level of government to implement a protection regime for consumers which responds to the needs and local circumstances that may exist in different jurisdictions across the country.

Let me pause to point out that the proposed amendments would not apply to federally regulated financial institutions such as banks. Banks and other financial institutions in Canada are already subject to federal legislation. The amendments are specifically targeted at a currently unregulated industry. We know that there is provincial and territorial support for these changes to the Criminal Code to occur. This is because many jurisdictions have indicated that the application

of section 347 has been a barrier to their being able to move forward and effectively regulate the payday lending industry.

These amendments would address provincial concerns. For example, in my home province, the government has already tabled legislation to regulate the payday lending industry. Other provinces have expressed an interest in taking similar steps. In the case where provinces choose not to regulate the payday lending industry, the Criminal Code will continue to apply.

• (1525)

Some may argue that the payday lending industry has no place in Canadian society. They may argue that the payday lending industry exploits the situation of already vulnerable Canadians and that facilitating the regulation of this industry will only exacerbate the situation of vulnerable Canadians.

The fact remains, however, that the payday lending industry is a part of our society, and a growing one at that, and we must take the necessary steps to bring it within the purview of regulation. Doing so will ensure that Canadian consumers have more effective protection against questionable business practices.

The amendments contained in Bill C-26 provide the provinces and territories the tools they need to respond to the problem in a manner that is appropriate to the realities facing their respective jurisdictions. I am confident that this is a sound approach to a pressing issue and one which I urge hon. members on both sides of the House to support.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I want to thank the hon. Minister of Justice for his very forward move in addressing the payday lending industry.

A very recent article in the local paper talked about this industry, about how it was growing and how it affects people. We know that payday lending happens not only with people who are very short of money but also with people who are supposedly very affluent but who find that keeping up with the mortgage and car payments is a real challenge.

My question for the minister is this. Can he tell the House how much interest is made on these loans and how frequently? I know he spoke to it briefly in his speech, but the rate of lending now is quite high for the payday loan industry. What kinds of people actually frequent this? Is it something that people do on a monthly basis or just once in a while to get the money they need to live on?

Hon. Vic Toews: Mr. Speaker, those are very good questions.

As I indicated, given that it is for a relatively short period of time and for smaller amounts of moneys, generally speaking, we can see the effective rate of interest sometimes exceeding 1,000%. When one is talking about 10 days for \$200 and being charged administrative and other fees on top of the interest rate, and when the interest rate per se cannot exceed 60%, the effective rate of course is much greater than that. That is what we are addressing.

Government Orders

Recognizing that in this context of short term loans the effective interest rate may be well over 60%, there needs to be some regulation to ensure that there are guidelines and regulations in place to ensure exactly what can be charged. That is where the provinces will step in. They will set those regulations. There is no specific requirement that any province set those regulations in a specific way.

In respect of what kinds of people use this, obviously all kinds of people at all kinds of income levels use it, both the middle class and those who are not as economically fortunate. One of the things a study indicated is that many of the payday loan companies recognize that their clientele comes a very short distance from where the actual offices are set up. Often we see these offices in impoverished neighbourhoods.

Judging by that, it is safe to assume that many of the clients who are utilizing these payday lenders are in fact vulnerable and impoverished people who need this kind of consumer protection legislation.

● (1530)

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, before the Minister of Justice attends committee, I will let him know that my party will be very happy to support this legislation in large part because when we were in government, the consultations started in 2000 with respect to this type of legislation. In fact, we were very close to bringing in legislation when the government was defeated last year.

Good consultation creates good legislation. Broad-based consultation creates good legislation. I think that is a lesson we can learn. If we do wide consultation, not only inside the minister's department but with stakeholders and people affected, we come up with a proper piece of legislation that is capable of moving through this House rapidly.

This is important and a lesson to be learned. Well defined and well consulted legislation makes efficient use of parliamentary time.

I will briefly go over some of the history. The payday loan industry, as we have heard, is a growing industry in this country. Over the last decade it has been estimated that there are more than 1,300 outlets and every year nearly 2 million Canadians utilize some aspect of the industry.

Unfortunately, along with this growth, a smaller portion of people did some practices that included some very costly practices to people who needed these services. In fact, they created things that would have been in contravention of the criminal interest rate, section 347 of the Criminal Code.

Over the course of the dialogue between the Department of Justice, Industry Canada and the Department of Finance, people came to understand that section 347 of the Criminal Code had really been instituted for the criminal organization loansharking type of activity.

The Canadian Payday Loan Association and payday loan groupings try to have a code of ethics and conduct. Even though they are not yet regulated, and hopefully will soon be regulated, in those provinces and territories, they will have to go through the scheme that is in this proposed piece of legislation, Bill C-26. We

have some that are working to provide a service in a more ethical manner. Then we have some that obviously work outside the law to create as much money for themselves at the expense of people who are badly needing interim financing.

As the minister pointed out, this is not an attempt to in any way deal with the financial sector. We have the Bank Act and financial services, even though sometimes they would be dealing with less than \$1,500 loan situations. We are talking about the payday loan which tends to be an unsecured loan situation for a very short period of time. As the minister has said, it is less than 62 days and the monetary limit is \$1,500 or less.

We have here a sensible, working, viable scheme that will exempt those provinces that decide that it is beneficial in their jurisdiction to work with the industry to regulate and come up with some protections and regulations. Those who wish to operate in that area can do so in a manner that will be better protective of the public. That usually is a consumer protection jurisdiction of the provincial or territorial governments and not usually at this level.

That is why we had to move out of that jurisdiction and carve out an exemption in this bill to allow the provinces to do that. Some of the provinces, notably Manitoba, British Columbia, Nova Scotia and Alberta have indicated interest in doing this. Some other provinces may not be as interested. They will still be living under the Criminal Code jurisdiction and will have to enforce that situation in those jurisdictions.

● (1535)

It has taken a few years to get the bill ready. We are in a situation, at least in my party, to say that we do not see impediments, that this does not force any jurisdictions into making a change. It is actually more permissive. It allows them to step in and put legislation forward where they believe it is in the best interests of the people residing in their jurisdictions.

Some provinces, notably Quebec, have already operated in a different manner and the flexibility under the act is there. As noted, the designation of the province will be required under subsection 3 of the bill. In subsection 2 we have the monetary and statutory dates limitation and the licensing authorizations under the laws of the provinces. There has to be an agreement and then the province moves into the designation that is seen in subsection 3.

There is also a provision for revocation under subsection 4 that should not have to be used, but could be used if necessary and that shows some foresight. Again, interest has been defined, payday loan has been defined, and criminal interest rate is already in section 347, which has a maximum rate already.

This is progressive in that it allows jurisdictions that wish it to regulate the industry and to place limits on the costs to consumers of payday borrowing. I believe it would even have been a better ministerial speech had the minister acknowledged the work that predated his government's ascension into power as a minority government. Be that as it may, I listened to the speech by the Minister of Justice and he covered all the bases that needed to be covered in a way with which I would agree.

Government Orders

Having said that, this is legislation that can move forward quickly in the House. I want to reiterate that where my party sees that we can advance pieces of legislation that have been brought forward and we can support, we will do so, but where there are hastily put together, non-consultative pieces of legislation, we have to do different things in different circumstances.

With that I will end my brief comments here today and allow other parties who wish to comment in the House.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I know my colleague works very hard, particularly with respect to people.

We are talking about these payday loan places. This is obviously a sector of the economy that has a propensity to prey upon those in our society who do not have the means and the wherewithal to have bank accounts or enough money.

I have a question for her. When her government was in office, we raised a number of times, from this corner of the House, the problems of, particularly in rural communities, the number of bank branches that were shutting down across this country. It was just an absolutely massive number of communities. I think of one in my region, Stewart, B.C., now a booming mining town, which has lost all its bank branches.

The Bank Act is controlled by the federal government. It was meant to be there to regulate banking. It is such an important part of our economy. It is an important part of Canadians' lives.

I am wondering if there are any measures her government ever took to curb the loss of banking establishments in rural Canada. If not, what recommendations could she make in conjunction to the legislation that we are dealing with right now to offer some sort of sense of hope to the communities like Stewart, B.C.? These communities are somehow lost in the shuffle of where banks and these payday loan institutions are making their decisions, which is at the bottom of the deck, and very rarely with any respect to the rural communities that some of us represent.

• (1540)

Hon. Sue Barnes: Mr. Speaker, I remember being the chair of the finance committee when we were talking about bank amalgamations. This matter came up at that time during the course of those discussions. As the member well knows, this is not directly relevant to this discussion on the payday loan bill.

However, the Bank Act itself has the sets of notice provisions. I know that they were followed in each and every case where banks made that business decision to cut. We, in all parties, were concerned and made our representations. I know in my own city I made my representations when a bank and a trust company merged together.

However, we do have to understand that the banking industry is a regulated industry and that there was no branch closing that was not done properly by regulation. Nobody got to shortcut any provisions in the Bank Act. In fact, many worked very hard to give the protections as best they could to all the employees in the areas.

Having said that, I do want to comment on the availability of the small time situation on a payday loan. We should not be confusing a small amount of loan, which would be done in a banking institution,

with a payday loan. There is a difference. It is a small sum. There is no security given.

I am told the average payday loan is around \$280 for a period of 10 days. It is an advance of cash against the customer's next payday. It is not a form of revolving credit. That is not what this is supposed to be. In fact, those things are among the practices, those roll-overs, that we are seeking to get rid of by instituting some of the protection that is in this current bill.

It is more designed for that one time unanticipated expense where somebody just needs help to get over a short trying period. It is not a payday loan, a long term credit project, nor is it a title loan; by that I mean a loan secured by a title to a property or an asset, such as a motor vehicle.

I am told that payday loan customers are Canadians with near median household incomes and the statistics provided by the Canadian Payday Loan Association puts 53% being women and 47% being men.

It is important to say that to qualify for a payday loan a customer has to be employed and have a chequing account. So it is not really preying at a level that I see a lot of concern.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I want to thank the member for her comments. I really appreciated a new insight into this industry and the kinds of things she had mentioned. Could the member comment a little more on the provincial side of it because we need to be partners and leaders in terms of ensuring that this bill does get through?

I thank members opposite very much for supporting this bill. It is a very important one. Perhaps the member opposite could also give some more insight into which provinces have regulated payday loans and also comment on what could be done to get the provinces on board to regulate this kind of thing in their home provinces.

Hon. Sue Barnes: Mr. Speaker, I think it will be for each jurisdiction to determine if it wishes to make it. I do not really see the position of the federal government to be one of intruding and demanding that we make it. In fact that would be ultra vires, out of the jurisdiction of this level of government and it is important that we stay in our area.

The whole intent of this legislation is to allow a carve-out and let someone in. I am aware of governments that are interested. I believe that the Manitoba government has tabled but has not yet proceeded with its legislation. I understand that as of May 3 last year, British Columbia's solicitor general had publicly called on us as the federal government to provide him with the ability to properly regulate payday lenders. On May 29 the Alberta solicitor general asked for the authority to regulate the payday loan industry in Alberta. This past summer, on July 13, Nova Scotia's minister of service said in the legislature that Nova Scotia plans to introduce legislation on payday loans. There are some. I know Ontario had been more reticent at this stage.

Government Orders

There are some who would say that this is a downloading to the provinces. I think there are options here and I view it this way. It is similar to when we were developing the best legislation in consultation with first nations. The way we got five bills through in a minority government was to make sure that on a lot of the first nations governance legislation, regarding economic issues in particular, there was wide consultation. Not only was it done in consultation with the first nations, but often the consultation was first nations led. Here we have a comparable situation where someone is coming forward.

I would also be remiss if I did not mention the advocacy of the Canadian Payday Loan Association, which is an umbrella group of about 850 of the currently 1,300-plus payday loan lenders. This group is striving to clean up the industry and in fact operates inside a voluntary code of ethics. The group wants this legislation. In fact it is pushing for it. Representatives of the group came to see me last spring and I said they would have to push the Minister of Justice.

We were prepared to move forward. We had done the consultations and here we are, some months later in the fall. The Minister of Justice, in April last year, said in talking with the Canadian press that he planned to take action to attempt to regulate the payday loan industry.

I will say that when legislation like this comes forward, it cannot just be worked through one department. We have had the cooperation of industry officials inside Industry Canada. They have been working at it with the original umbrella organization since the year 2000. Finance officials have to be involved. When legislation is worked through the appropriate channels and it makes good common sense, it is important to move on it.

● (1545)

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, the purpose of Bill C-26 is to provide for stricter regulation of the payday lending industry, which could also be called the wage advances industry. In Canada, the industry began to take root in the 1990s. Its growth has not been uniform, however, since it falls under the jurisdiction of Quebec and the provinces over local commerce and civil rights and is thus subject to the rules governing contracts and consumer protection in each jurisdiction. Accordingly, while the federal government believes that this industry now has over 1,300 points of sale, they are unevenly distributed and there are not very many in Quebec.

Several payday lending companies have joined together to form the Payday Loan Association of Canada. That association represents 22 companies that operate a total of 850 points of sale for financial services across Canada, but none in Quebec.

What is a payday loan? To the Payday Loan Association of Canada, a payday loan is an unsecured small-sum short term loan typically for a few hundred dollars. The average payday loan is around \$280 for a period of 10 days. We can see that payday loans are really meant for low income earners, and this is why, at this point, I want to talk about poverty.

When someone needs to borrow at a high rate from this payday lending industry in order to make it to the end of the month or the

end of the week, the reason is that the person is poor in Canada. The most recent Statistics Canada figures, from the year 2000, tell us that there are 1.3 million more poor households in Canada than there were 25 years ago. So the poverty rate among the working population, among people who earn low wages and who will have to do business with this payday lending industry, has gone up.

Poverty is rising among the working population. There are poor families, and poor children, in Canada. The most alarming increase in the poverty rate for families has occurred in young families where the head of household is between 25 and 34 years old. We also see that in 1997, 56% of families headed by a single mother were living in poverty, and they accounted for 43% of poor children.

What we are seeing is rising poverty. We are going to try to deal with it by legislating, and this may be legitimate, but the fact remains that what we have seen during that time is that single-parent families, aboriginal people, people with disabilities, members of visible minorities and people with little education are the poorest people in our society. At the same time, the government is cutting funds for literacy training, social housing, the status of women—all measures that are genuinely going to help people deal with what lies at the heart of the problem. It seems to me that we cannot legislate to deal with only one aspect of the situation.

Obviously, the Criminal Code did not include a definition of payday loan. Nonetheless, it is important that we find a way of solving the problems of poverty in a more comprehensive manner, not going at them piecemeal with a bill like this. According to the federal government, a payday loan is defined as:

—a short-term loan for a relatively small amount, to be repaid at the time of the borrower's next payday.

The Financial Consumer Agency of Canada, which falls under the responsibility of the Department of Finance, indicates that it is possible to borrow via a payday loan. This is limited to 30%. I see this amount of 30% on a paycheque after the various deductions and income tax. It is often said that a family should not spend more than 30% of its income on accommodation. This leads to a very problematic situation in which payday lenders will ask their clients to give them a post-dated cheque or pre-authorized withdrawal directly from a bank account, and will add various fixed service charges as well as interest.

● (1550)

This seems to be a downward spiral that is difficult to stop for these less fortunate families, who, I would remind the House, are becoming even more impoverished. Certainly, more prosperous people do not resort to these lending agencies. They are more likely to go to their bank or credit union, as is the case in Quebec.

Quebec has its Consumer Protection Act. Payday lenders were once numerous in Quebec but the consumer protection bureau decided to intervene. After that, the combined efforts of the police and the consumer protection bureau all but eliminated that industry within our territory. Furthermore, the Consumer Protection Act contains strict provisions to regulate the entire lending industry.

Government Orders

Thus, we see that opinions are divided on Bill C-26. The Quebec government shares the Bloc Québécois' concerns because we see that, under this bill, any provinces can be granted an exemption by the federal government under certain conditions.

We feel that by placing conditions on exemptions, the federal government is interfering in one of Quebec's areas of jurisdiction. Indeed, Quebec is already regulating this industry, without having to account to the federal government. The maximum interest rate is set at 35% in Quebec, which is far less than the 60% in the Criminal Code. In addition, with its designation provision, the federal government is reserving the right to veto the measures taken by the province that requests the exemption. Although the mechanism for granting the designation is still unclear, it appears that ultimately, the Prime Minister will determine whether or not to grant the designation. Such a veto, in an area under Quebec's and the provinces' jurisdiction, seems inappropriate to us.

I will remind my colleagues in this House that Quebec does not always welcome vetoes.

The Bloc Québécois is therefore opposed to the principle of Bill C-26. However, the Bloc Québécois feels that although the federal government has the authority to include in the Criminal Code a maximum interest rate beyond which it becomes illegal to lend money, it does not have the authority to regulate industry trade practices.

The federal government does not need to decide to implement a licensing system or judge the merits of how Quebec and the provinces regulate the practices of this sector.

In our opinion, Quebec is free to regulate the trade practices of the companies under its jurisdiction, and the federal government does not need to impose a veto for the legislation to apply. Despite the Conservatives' openness and respect during the election campaign, the fact is that the Harper government is carrying on the federal tradition of interfering in the jurisdictions of—

• (1555)

The Acting Speaker (Mr. Royal Galipeau): The hon. member just mentioned another hon. member by name. She has enough experience in the House to know that this is not done, and I would appreciate it if she did not do it again.

The hon. member for Sherbrooke has the floor.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to congratulate my hon. colleague on her speech on Bill C-26.

In listening to her, I put myself in the shoes of citizens listening to the explanations here in the House of Commons. Unfortunately, I think that the 10 minutes given to my hon. colleague were not enough for her to delve further and provide more specific information about this bill and the reasons why the Bloc Québécois is opposed to it.

I would therefore like to ask her to be more specific for the benefit of citizens. Does this bill set a maximum interest rate for borrowers? I would also like her to tell us whether this rate is still usurious or not.

Ms. Paule Brunelle: Mr. Speaker, the bill sets the interest rate at 60%. To me, that seems usurious.

As I said, the Office de la protection du consommateur limits the rate to 35% in Quebec. Even that strikes us as too much.

[*English*]

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I believe the hon. member has some incorrect information on this. The present Criminal Code provides a maximum limit in the 60% range as the amount of interest that can be charged. The amounts of the loans are very small and these companies have to cover their administrative costs, registration and so on, but even charging \$10 for one month on a loan of \$200 is way over that limit. This bill would permit the provinces to regulate that and ensure there was no abuse of it. However, it still would allow these businesses, which do perform a valuable service, to carry on with their business.

Many firms do this. I received a little thing in the mail a couple of days ago from a retailer I will not identify, indicating that there would be no interest until next year. However, written in small letters underneath, it said a \$15 service charge would apply. If we compute that as a rate of interest, it increases it considerably, although it is not called interest. This also needs to be regulated.

I gently correct the member to ensure that what she is talking about vis-à-vis this bill is accurate.

• (1600)

[*Translation*]

Ms. Paule Brunelle: Mr. Speaker, I thank the hon. member for his remarks.

In our respective provinces, companies clearly sell furniture by saying there will be no interest for one year. However, something else is going on. It is very easy for businesses to increase the price of something and then give us the impression that they are giving us some kind of discount.

That being said, it is not that we are opposed to an interest rate limit at the outer edges of what working people can afford when they have to deal with payday lenders. What we oppose is the federal government administering this program. In our view, this is a provincial jurisdiction. Quebec is already handling it very well, together with the Office de la protection du consommateur.

Our position is always the same. The government that is closest to the people is the one that is best able to understand the situation, set standards, and exercise its constitutional jurisdiction.

Mr. Serge Cardin: Mr. Speaker, before putting my question to the member of the Bloc Québécois, I would like to draw the attention of the House to what the Conservative member said.

The member was talking about 60% interest. If someone borrows \$200 at 60% interest—interest rates are always calculated on an annual basis—that amounts to \$120. If we divide that by 12, it is \$10. For a loan of \$200, an individual would pay \$10 dollars interest per month. That does not seem exorbitant, but when you make the calculation the rate of interest is 60%. Unfortunately for those lenders, it is possible that \$10 per month may not cover the administration costs.

That means that, strictly in terms of the profitability of such a service to the public—if it can be called that—the rate of interest would have to be even more exorbitant.

Government Orders

Therefore, I ask my colleague whether, given the conditions relating to the operation of such a business, we should not simply forget all that and create a bank for small loans and in doing so introduce regulations that better protect consumers?

Ms. Paule Brunelle: Mr. Speaker, I agree.

If a family with a very low income needs to borrow a sum as small as \$280, it is certain that an additional \$10 will perhaps make the difference and enable the family, at the end of the month, to have had the food that they needed. It is not unusual to see this in the poorest families.

The fact that there is a need for companies like these should lead us to ask why there are still poor children and poor families in Canada, when we have been promised so often that there would be no more. I believe that more and more people are being locked into poverty, in a spiral from which they can never escape. They are never able to pay all those charges.

This bill also makes me think that these companies could also profit from people who are compulsive gamblers, for example. Will those people go to these companies and become caught up in the spiral? We must be very careful and try to understand why these companies exist and how we could try to improve the economic situation of families in Canada.

•(1605)

[*English*]

Mr. Ken Epp: Mr. Speaker, if I can add clarification to what the two members have just said, first, I understand it is the intention in the bill that provincial jurisdiction will be given. In other words, the in the case of Quebec, it will continue. In the case of other provinces, they regulate this industry on behalf of their own residents. I think there should be no objection from the members of the Bloc on this issue.

Second, I think it is fair to say that these people, instead of having a bank account, will go to one of these short term financial institutions and they will be willing to pay \$10 if they can get their short term loan and pay it back.

I happened to just do the math because I had not done it before. If we pay a \$10 charge on a \$200 loan for 30 days and if we call it interest, it works out very close to 60%. The question is this. Is it really fair to call that interest? As in all cases, there is an administrative component to this that must be covered. If these firms were not permitted to charge that \$10 fee, then they would be unable to provide the service and those who want that service would then be deprived of it.

The objective of the bill is to allow those firms to conduct their business on behalf of those who demand that service.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The time allotted for questions has now expired, but I will give the hon. member one more minute to answer.

Ms. Paule Brunelle: Mr. Speaker, I can obviously not be in total agreement with my hon. colleague.

Instead of allowing these industries to exist, their relevancy ought to be assessed. Where I come from, we would call it cashing in on other people's misfortune. I would not be very proud of managing a business like that.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I was happy when I learned I could enter into the debate on Bill C-26, the Criminal Code amendments regarding payday loans. From experience, the payday loan industry is like a scourge on the inner city of Winnipeg, on the riding I represent. I cannot find the words to speak strongly enough about how critical I am of this exploitative criminal industry. I can say the word "criminal" I think without insulting anyone or without pushing things over the line.

This very bill has been put in effect because the government knows full well what has happened, up until the implementation of the bill, meets the definition of criminal in terms of these so-called payday loans.

In the past in other speeches I have shared the unfortunate and harsh reality that my riding is the poorest riding in Canada. Whether it is measured by average family income or incidence of poverty, Winnipeg Centre is the poorest riding in the country. I bet dollars to doughnuts it has the highest concentration of these exploitative payday loan outfits because they prey on the misery of the poor. They exist solely to take advantage of low income people, desperate people. These people go from the day's drudgery to the evening's despair. They cannot make the end of the week on their meagre earnings, whether it is their paycheque or their social assistance cheque. Because of that, they wind up the victims of these payday loan outfits.

My colleague from London—Fanshawe has raised the point with us as well that every street corner we look at has a payday loan outfit. Every little strip mall that has a vacancy in our ridings is occupied immediately by another one of these payday loan outfits, be it Paymax, The Cash Store or Money Mart. All these reputable sounding names disguise the fact that they rip people off in epic proportions and in complete violation of section 347 of the Criminal Code. For the benefit of Canadians, this section states very clearly that to charge interest at a rate greater than 60% per annum is not allowed.

That provision was put there for a reason. Some of us would argue that 60% per annum is too much, that there is no justification for charging this kind of interest rate. I think the interest rate charged on my Visa is criminal, but it is legal. Visa, at 18%, may make us angry, but these guys, who set up shop to deliberately undermine the law by charging rates of interest that are easily within the realm of criminality, should be condemned, not accommodated by the bill. I call them bloodsuckers and leaches. I call them a scourge on the inner city of Winnipeg for cheating and deliberately exploiting poor people by design.

Let us look at who is doing this and how much money they are making. Where else can people get 1,000% return on their investment? A person would be pretty happy in today's stock market to be making 8%, 10% or 12% interest. In the good old days some IPO in the high tech sector could make 20% per annum interest.

Government Orders

These outfits are making 1,000%, 2,000%, 5,000%, 10,000% interest per annum. One example, investigated by the attorney general of Manitoba, found one cash store was making 10,000% interest, if all the surcharges and service charges are called part of the interest. For the purposes of the law, all those charges end up with net effect of interest at 10,000%.

The industry is completely unregulated. No wonder it attracts people such as the mob, the Hell's Angels and terrorist groups. Where else can they get that kind of money?

These innocuous looking, nice, clean little stores, which are popping up in every strip mall across the country, are not only sucking the lifeblood out of my inner city riding of Winnipeg Centre, but they are starving people and they are involved in clearly illegal activity. They are not only charging usurious illegal rates of interest, but charging people to cash government cheques.

• (1610)

Many members in the House would be shocked to learn that no one is allowed to charge for cashing a government cheque. People do not know their banking rights and that is where the blame has to come down.

We would not be having this debate today or the epidemic of rip-offs going on in our ridings if the banks were doing their job of providing basic financial services to Canadians as per their charters. If the banks had not abandoned the inner cities of Winnipeg, Vancouver, Toronto, Sault Ste. Marie and London, if they had not bailed out on this nuisance financial services industry that they do not want any more, poor people would not need to go to these rip-off outfits.

Fifteen branches of the five charter banks in my riding have left since I have been a member of Parliament. I know that 13 or 14 have left the riding of Winnipeg North, represented by my NDP colleague who is not here today. That is almost 30 branches of inner city ridings.

I am sorry, I will not point out whether my colleague is here or not today. I am actually delivering this speech on behalf of my colleague, the finance critic for the NDP, so people can draw their own conclusions as to whether she is here or not.

The fact is that roughly 30 branches of chartered banks have left, a flight of capital, leaving no financial services in their wake. People do not know that the charter banks have obligations. The charter banks of Canada were given the exclusive rights and privileges to certain very lucrative financial transactions, such as credit card statements, cheque cashing, et cetera, in exchange for providing basic service to Canadians, even when sometimes it is not the most profitable thing in the world to give ma and pa their little mortgage in downtown Winnipeg, even when it is not that profitable to allow people to open bank accounts to cash cheques even when they only have \$100.

However, the banks have an obligation and a duty. If the charter banks are not willing to live up to their end of the bargain, we should tear up their charter, throw the industry wide open to foreign banks and see how they like it then. That is what they have done in some other countries when the charter banks got too big for their britches. We would not have this problem in the inner city of Winnipeg and

other major Canadian cities if the banks were doing their job by providing basic financial services.

As such, the people who I know, the low income people in the inner city of Winnipeg, have no alternative, nowhere else to go to cash their cheques. They actually sport their Money Mart card, which is, frankly, a licence to be robbed, as one of their main pieces of identification. I have used the phrase before that villainy wears many masks, none so treacherous as the mask of virtue.

These Money Mart stores are trying to portray themselves as providing a necessary service. They set up brightly lit, friendly looking stores, are courteous to the low income people who walk in and they issue important looking cards that are not even credit cards but just ID cards for the Money Marts. People carry them around with some pride because the banks will not talk to them, aside from the fact banks are nowhere to be found. People do not have bank accounts but they do have Money Mart cards.

I have never been able to calculate the amount of money that gets sucked out of my riding every month by these thieves. I will call them thieves, at least until such time as the Criminal Code is changed to where we allow greater than 60% interest to be charged. They are involved in illegal activity and we are accommodating them with this bill. Instead of correcting the problem, the bill actually says that we will not stop this runaway roller coaster so we had better change the law to make it legal.

At least we are ceding the jurisdiction to the provinces so they can hopefully put in place some enabling legislation to control and contain the extent of the problem because the extent of the problem is horrific. These outfits are sprouting up like poisonous mushrooms on every street corner, if I can be forgiven for extending that analogy, because their corporate greed is responsible for a sum total of human misery on the streets of the inner city of Winnipeg that I do not think we can measure.

The very fact that people cannot make ends meet on their meagre paycheques and are forced to obtain one of these payday loans already means they are in some form of financial crisis. It is not the people we see on the TV ads, well dressed, middle class people driving their cars up to the Money Mart because they are \$100 short on this month's paycheque.

• (1615)

The way these outfits are structured, people's problems are compounded. Their misery is only starting with the first loan because if they are a day late on that loan, they offer a rollover loan at an even higher rate of interest and more service charges. These companies suck people in and roll the money over until people have reached a level of debt that they can never get out of.

Here are other things that these outfits do. It is common practice to have people voluntarily sign a permit so their future wages can be garnished, never mind going through the courts. If somebody owes a great deal of money, sometimes companies need to apply to the courts to garnish someone's wages. However, payday companies make people sign this away at the front end.

Government Orders

These companies will make people put up property, if they have it, as collateral even for a couple of hundred dollar loan, which seems ridiculous, except that they know how fast a \$200 loan spirals out of control to where all of a sudden it is not so ridiculous to have a house as collateral for that loan because the loan is not \$200 for very long. Cars and boats are not unusual personal guarantees. Sometimes people need to sign away their right to any kind of arbitration or to the services of a credit manager.

These companies have not only figured out how to charge 1,000% or 2,000% interest, they have figured out ways to preclude the ordinary rights that people might have if they run into credit difficulty to get out from under it. In other words, they own people. Loansharking seems kind compared to these payday loans. I kind of pine for the days when it was just Luigi the leg-breaker who would take care of things. These guys are far more sinister, far more organized, far more corrupt and far more criminal. The leg-breaking that used to go on if people borrowed money at the pool hall, we would probably look forward to that compared to the hold that these companies have.

It is criminal behaviour. It is organized crime. There are chains of these companies, in effect, breaking the law systematically, the very definition of organized crime. Our reaction as a government, unfortunately, is to accommodate them and to pass legislation to allow these companies to charge more than 60% per annum. It does not say that they can charge 2,000% or 10,000% per annum as in the most extreme case that we have come across, but to accommodate them in any way is offensive to the sensibilities of any decent Canadian.

It should make us angry. It should make Canadians angry that the best thing we can think of to do when faced with this organized wholesale criminal activity is to accommodate them when we should be looking at our financial institutions to look at the root cause of the problem, which is abandonment by the charter banks.

The charter banks have packed up their tent and left, not because these branches in the inner city were not profitable, but because they were not profitable enough. Because their branch in the suburbs made more money than the branch in the inner city, they put an addition on the branch in the suburb and told their customers in the inner city to take a bus out to that branch. They closed 15 branches in my riding alone in the inner city of Winnipeg.

It is abandonment. It is a vote of non-confidence. It would not bother me if these were independent private businesses because it is their right to pack up and leave. However, these are charter banks. They exist and enjoy their exclusive monopolies at the pleasure of the House of Commons and the Government of Canada. Has nobody tried to remind the financial institutions of their obligations in recent years? They are making record profits quarter after quarter. They cannot count their money. They are like Scrooge McDuck sitting on piles of money that they cannot even imagine their good fortune and yet they are derelict of their duties and leaving the people I represent vulnerable to rip-offs like the payday loan industry.

The payday loan industry even has an association now, which is how they are striving for legitimacy. Can anyone guess who the executive director of the Payday Loan Association of Canada is?

An hon. member: It's not a New Democrat, is it?

Mr. Pat Martin: No it ain't no New Democrat. It is a former Liberal cabinet minister from Hamilton, I believe by the name of Stan Keyes. Stan Keyes has now seen fit to represent these guys. I do not know what could possibly be his thought process to think that would be okay. Even his wife gave him heck. In this newspaper article it says that when he first told his wife that he was serious about taking on the job as the head of the Payday Loan Association of Canada, his wife asked him if he really wanted to do that. She wanted to know what he was doing to his reputation as a respectable stand up guy, working for those shysters.

• (1620)

If he is trying to reinvent himself after 20 years of political life, he is choosing a funny way of doing it by working for the most reprehensible, morally and ethically bankrupt organization in the country.

An hon. member: The Liberal Party of Canada.

Mr. Pat Martin: No, not the Liberal Party of Canada. He has moved from the Liberal Party of Canada to the head of the Canadian Payday Loan Association. I do not know what the connection is but maybe this explains why, after years of complaining to the Liberal government that these rip-offs were running roughshod over the law and exploiting the people I represent, it chose to do absolutely nothing year after year.

I went directly to ministers of industry on this very issue looking for satisfaction on this. In fact, I pigeonholed one minister in Manitoba when she was visiting my province. We had our minister of consumer and corporate affairs and we had the federal minister of industry there. I told them both that it was an emergency, a crisis, and that they had to do something. That was years ago, probably 2002 or 2003, and nothing was done.

The Province of Manitoba has been trying to pass its own legislation to stop these guys but it does not have the jurisdiction to do so. It is a federal matter. Now we have the federal government at least paying deference to the extent of the problem and introducing legislation that hopefully we can segue into some satisfaction for the people I represent, although it will still be up to individual provinces to say how tough each one chooses to get.

However, I am here to say that the payday loan industry is out of control. They are a bunch of crooks. They are a bunch of gangsters painted up as honourable citizens but there is nothing honourable about their industry. They are cheats and they are cheating Canadians as we speak.

The sheer number of them shows us how profitable this is, but, as I said in my opening remarks, where else can people get 1,000% interest? Where else can people get that rate of return? No one can make that kind of investment. I do not think that much money is made selling coke, and I mean cocaine not Coca-Cola. I do not think anyone makes that much money dealing dope. It is irresistible. I do not think anyone can make that much money in prostitution or any of the other traditional rackets. This is a racket to end all rackets and we are actually accommodating them and finding a way to make it legal.

Government Orders

I am surprised the Canada Pension Plan Investment Board is not investing in payday loans. They do not have any ethical investment standards whatsoever. They have no ethical screen. In fact, I think we could argue that the Canada pension plan is obligated to invest in the payday loan industry because its very founding trust document says that the only consideration shall be the maximum rate of return. There are no ethical standards: child labour, polluting the St. Clair River, it does not matter. Our pension plan has to invest in them.

I understand I am running short of time, but I raise that as an aside. I do not want our Canada Pension Plan Investment Board to invest in payday loans. I want to stamp payday loan companies out of existence. They should be squashed like a grape under the heel of Parliament for the offence that they have committed against the Canadian people. They do not deserve to breathe the same air as the good people of Winnipeg Centre. They do not deserve to occupy store space. They do not deserve to put up billboards and buy advertising space. They should be run out of business. They should be tarred and feathered and run out of town on a rail. That would be the only suitable way to treat the payday loan industry.

• (1625)

The Acting Speaker (Mr. Royal Galipeau): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Skeena—Bulkley Valley, Government Programs; the hon. member for Saint-Bruno—Saint-Hubert, Bankruptcies.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, the member may want to rethink the use of the name Luigi in his speech, fraught with sensibilities, as the stereotypical lender. I know the member has more respect for the many multicultural Canadians to probably do that.

However, the pith of his statement, in my mind, goes to an abdication of Parliament in not having laws to protect its citizens and in the completely antiquated state of our Criminal Code.

The member will know that a colleague of his, the justice critic from the New Democratic Party, stands with many Liberals in requesting that the Criminal Code, in its entirety, be renewed and revised.

As the member has been a parliamentarian for some time, he would know that section 347 of the Criminal Code of Canada, which has been on the books for some time, does cover square on all fours with the crimes that are associated with 2,000% interest administered by some of the payday loan companies. How is it that it has escaped Parliament all these years and escaped the Criminal Code for protection of our citizens, and what would he suggest in terms of revamping the Criminal Code in specifics and in generalities?

Mr. Pat Martin: Mr. Speaker, I thank my colleague for pointing out that it would be wrong to point out any particular ethnic group or type of people when we are criticizing what I call loansharking and leg-breaking, et cetera. It certainly was not my intention, but under section 347 of the Criminal Code dealing with usury, which is what the term is when a rate of interest is charged which is higher than that allowed by law, there has been only one charge in recent years. It was the province of Manitoba that levied the charge against the company and it is still tied up in endless appeals.

We are concerned that there has been a lack of enforcement, which should not be a matter for politics or the political realm, but for some reason, I suppose, there has been no confidence that we can make these charges stick. Without legislation that accurately reflects the reality of what is going on in the marketplace, and without a modern, efficient language, we are not going to be able to make those charges stick.

My colleague's point is well taken. We need to modernize the Criminal Code so that it at least bears some resemblance to what is actually going on out there in modern-day Canada.

This is a fairly recent innovation and it takes evil people to exploit it. I do not know how they devise these schemes, but bad people stumble across these opportunities and exploit them. They research them. They do not just look for loopholes. They look for poorly enforced clauses of the Criminal Code. That is what has happened. It is against the law to charge 2,000% interest, but these people had the temerity to try. When they did not get busted, more people were motivated to try, and then more and more. Word spread like wildfire.

If one is of the human nature of that sort, who would willingly exploit people and capitalize on human misery, this is a golden opportunity. If one is that kind of person and is that low as a human being, the Government of Canada and our criminal justice system apparently are not going to interfere, because we have appealed to the government. We have tried. We have begged. We brought it to the highest level and nobody seemed willing to interfere with what these guys were up to.

• (1630)

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Again, Mr. Speaker, I have a comment more than a question. This member has his heart in the right place, I think. He is out there fighting for the little guy and so am I. There may be a little difference between him and me, though.

I remember many years ago when I had an NDP friend that I worked with. We had a debate on how to help poor people. During that debate, out of the blue I asked him how much he had given to charity in the last year. He said, "Nothing. It's not my responsibility". But he believed strongly in the government covering everything. I said, "I guess there's the difference, because I give a lot of money to charity and to individuals I see in need because I believe in that".

I have a friend right now in the city of Edmonton, with whom I am working and who is in a bad financial situation. He recently got a cheque. It was not a large cheque. He needed to cash it and I asked him why he did not have a bank account. I told him that he could open a bank account, that the bank would open one for him and I would go with him and help him and he could cash that cheque for nothing. He said, "No. I can't be bothered".

Should we pass a law that forces these people to have a bank account? I do not know if we should. Perhaps we should.

Government Orders

At any rate, he asked me to please stop and he went into one of those instant loan places to cash his cheque. I think they charged him \$2 to cash a \$200 cheque. There was no interest involved because he did not take out a loan. He had a cheque. It was a \$2 charge to cash the cheque. If I go to a bank, I also am charged to cash a cheque because the bank is giving me a service.

I would like to urge the member to stop and think about it. Perhaps these small financial institutions that cater to the small user are providing a valuable service to those people for what is a reasonable absolute charge, but if we compute it into an interest rate it becomes usurious, which is of course the issue in the Criminal Code.

These people are not criminals. They are providing a low level service for a relatively low amount of fees, but when we convert it to an interest rate, which is unjustified in this place, then I think we can get very confused on the issue. I appreciate the heart this member has, but I would urge him to reconsider his vitriolic attack on these people.

•(1635)

Mr. Pat Martin: Mr. Speaker, I will not even bother commenting on getting into a comparison of who donates more money to charity. It is not worthy of this place.

I will come back to the idea about banks not living up to their duty and obligation to provide basic general services to all Canadians as an aspect of their being granted a charter, as are chartered banks. A lot of people do not know their banking rights. Low income people often do not.

A bank cannot turn down people who want to open a bank account even if they do not have a single dollar. Even if they do not have any money but just want to open a bank account to establish a relationship with that bank for future cheque cashing, for instance, a bank cannot turn them away as long as they have a piece of ID.

Maybe people do not know their banking rights. There has been very little effort on the part of banking institutions to make sure people know their rights, because these are considered nuisance services. An individual might be charged \$1.50 in service charges, but probably that does not even pay for the administration costs.

People should know their banking rights. The Government of Canada has a role to play in reminding banks that they have this duty and an obligation, not just in the inner city of Winnipeg but in Plum Coulee, Manitoba, or in some small towns that are losing their bank branches too.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I thank my hon. colleague from Winnipeg for all the work he has done over the years on this issue.

As banks continue to show record profits, and good for them for being able to do that, there also seems to be a breaking of their responsibility and the contract—a compact, in fact—with the people of Canada, which the governments that occupy this place are meant to represent and uphold. Banking institutions are given a certain oligopoly and in bearing that responsibility they bring banking services to Canadians.

Earlier in the debate, I pointed out a small community in my riding, Stewart, B.C., which over the years has contributed hundreds

of millions of dollars to the Canadian coffers, both provincially and federally, and yet cannot maintain a branch service, because the banks can make money in the community but not enough.

What responsibility do banks actually have to Canadians? Do they need to be reminded of that responsibility to bring those services to communities by the people elected by Canadians, not by the banks?

Mr. Pat Martin: Mr. Speaker, my colleague from Skeena—Bulkley Valley has made a valid point. Banks were given the exclusive monopoly on certain very lucrative financial transactions in exchange for providing basic services to Canadians, whether they live in the inner city of Winnipeg or the remote northern region of British Columbia.

I know that ministers responsible for financial institutions should have been seized of this issue in recent years because this duty very conveniently seems to have been collectively forgotten by the banks. That is what has left the people of the inner city of Winnipeg vulnerable to these rip-off payday loan outfits.

If I could correct my colleague from Edmonton, these institutions are not charging just \$1.50 to cash a cheque; sometimes it is 3%, 4% and 5% of the amount of the cheque. I am not saying this is so in every case, but we know of examples where it is that high. That is an absolute rip-off. Nothing is supposed to be charged for cashing a government cheque, period. It is supposed to be a service available to Canadians. If a customer establishes a relationship with a bank and needs an extra \$100 one week, he or she could do an overdraft and the service charge would be 1% or 2%.

[*Translation*]

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, it is my pleasure to rise today to speak in support of a significant piece of legislation, Bill C-26, An Act to amend the Criminal Code (criminal interest rate), introduced on October 6 by my colleague, the Minister of Justice.

This bill amends the Criminal Code to allow for the regulation of the payday lending industry by the provinces and territories. This is a major change which is well received. For years, the payday lending industry was able to operate unnoticed in Canada.

This bill will subject this prosperous sector to regulation and offer greater protection to millions of Canadians and their families who have come to depend on this kind of service. According to the leading industry lobby, namely the Canadian Payday Loan Association, this sector services nearly two million Canadians a year. This is a pretty large number, hence the importance of ensuring that Canadians are well protected against harmful practices in that industry.

The passing of Bill C-26 would first amend the Criminal Code by adding a new provision, namely subsection 347.1, which would exempt payday lenders from the provisions on criminal interest rates where provincial and territorial legislative measures protect consumers in this regard. It would then add a definition of “payday loan”. Finally it would require the provinces to set a limit on the total cost of this type of loan in their legislative measures.

Government Orders

Before examining the content of these amendments, I shall provide a few clarifications on two points. First some background on the payday loan industry in Canada, including its effects on communities across the country, and, second, its debatable practices, which motivated us to take action and propose the amendments before us today.

When they know more about this industry, I am convinced that all the members will agree that the measures put forward in Bill C-26 are pragmatic, balanced and necessary.

The payday loan industry is relatively new in Canada. These convenient establishments with catchy names began to appear here about 1994. The industry began in the West, but today it has spread throughout Canada. In fact there are about 1,350 of these establishments in all Canadian provinces and cities, except in Quebec, and they continue to increase in number. Some 2 million Canadians use these services, borrowing close to \$1.7 billion a year. This is an astounding amount when we know that all this activity takes place in an market that is basically unregulated.

These figures show that the payday loan industry meets a real demand by Canadians. According to some, this industry has no place in Canada. On the other hand, it obviously plays an important role in the lives of many Canadians. There are several reasons to explain why our fellow citizens turn to the services of a payday lender. Convenience is one of them, since many of these businesses stay open late and on weekends. Also, some people think that the popularity of this sector may be attributed to the fact that the country's large financial institutions have closed their smaller branches, leaving a void among services providing quick and easy withdrawal of funds in many communities. There is also the fact that this service is relatively anonymous and emergencies can occur, with immediate financial consequences.

In any case, this industry seems to have its place in our communities. So it is important that we provide adequate protection from certain abusive commercial practices to the Canadians who use payday loan services, especially the most vulnerable people in our society.

The government takes its responsibility for improving the lives of Canadians and their families very seriously and is taking a number of important measures to do just that. Whether it be by strengthening the Criminal Code to make our streets and communities safer or by reducing taxes for our fellow citizens, we are committed to taking effective action such as what we are proposing in Bill C-26.

• (1640)

We will continue to do this to ensure that Canadians have the best possible quality of life.

The measures proposed in Bill C-26 are a careful and effective way of improving consumer protection and meeting the need that has been expressed by various people, including the provinces and territories, for effective regulation of this industry. There are three good reasons for doing this.

Payday loans are very expensive. In some cases, the annual cost of a loan from a payday lender can be very high, because of the interest, which is charged at a rate that is sometimes several thousand

or more. It also seems that the contract clauses are not clearly disclosed by these lenders.

Aggressive collection methods also create problems, as does the speed with which the amount of these debts can grow out of control when they are renewed. In some cases, payday lenders even penalize a borrower who pays the loan before the due date, by charging fees.

For all these reasons, it should be very clear to all members that there is strong justification for taking action. The changes proposed in Bill C-26 will ensure that the practices of this industry are effectively regulated.

When we looked for the most appropriate way of dealing with this pressing public policy issue, we also worked very closely with our colleagues in the provinces and territories. We gradually realized that section 347 of the Criminal Code was going to be the linchpin of the new rules.

Under section 347, everyone who enters into an agreement or arrangement to receive interest at an annual rate that exceeds 60%, which is a criminal rate of interest, is guilty of an offence.

People who are convicted of that offence are liable to imprisonment for up to five years.

When section 347 of the Criminal Code was first enacted, its purpose was not to protect consumers. Rather, its aim was to give the police another weapon for fighting organized crime, and more specifically loan-sharking. Whatever the intent of Parliament was at that time, this section applies to loan agreements entered into in Canada, including payday loans.

I would note, however, that the government does not believe that section 347 of the Criminal Code is the most appropriate and effective instrument for protecting consumers from the unethical and unscrupulous practices that have been observed in some segments of the payday loan industry.

We are not the only ones who think that way. Many administrations and several groups in civil society have told us that section 347 is not suited to consumer protection. What is more, these same administrations have told us that the application of section 347 to payday loans presented an obstacle to the adoption of effective provincial regulations. As a consequence, the proposed amendments respond to the needs of the provinces and territories, who are the best placed to provide the required protection to consumers by exempting cases where provinces choose to intervene from the application of section 347.

However, section 347 continues to apply in those cases where the provinces do not intervene. We consider this to be an appropriate solution that enables the provinces and territories that are prepared to regulate the industry to do so.

I would also like to point out that Bill C-26 will not apply to financial institutions that are regulated by the federal government, such as banks. Under the Constitution of Canada, banks fall under federal jurisdiction and their operation is subject to a number of federal laws.

Government Orders

By and large, the proposed amendments would exempt payday lenders from the application of section 347 of the Criminal Code in very specific and well defined cases. That exemption would be provided under a new section, section 347.1 of the Criminal Code.

● (1645)

According to a study, the amount generally loaned in the case of a payday loan is never very high—less than \$300—and the duration of the loan is generally short—about 10 days. To be eligible, the borrower must prove that he or she has a bank account and provide a post-dated cheque or pre-authorized debit. The borrower must also provide proof of a source of income.

Bill C-26 describes a payday loan as follows:

An advancement of money in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card

This definition is important because it clearly describes the kind of agreement behind payday loans. The proposed changes have a very specific purpose. We want to ensure that provinces and territories are able to regulate payday loans in their jurisdictions. We also want to ensure that only payday loan agreements are covered. We are doing this because the public policy issues raised by other kinds of credit are very different. I think that the definition provided in Bill C-26 describes payday loans very well.

Bill C-26 also specifies that only certain types of payday loans will be exempted from the application of section 347 of the Criminal Code. The loan cannot be for more than \$1,500 and for any longer than 62 days. These limits reflect the maximum limits on payday loans described earlier.

The bill does not propose any regulations per se, not does it set a national limit on payday loan interest rates. What it does instead, in creating an exemption to the application of section 347, is to meet the needs of the provinces, who want to see the obstacles to the regulation of this industry removed. This is important because it is the provinces and territories that are best placed to regulate the payday loan industry.

The ultimate purpose of the proposed changes is the effective regulation of the industry. The best way to achieve this goal is to give the provinces and territories the flexibility they need to set limits on the cost of loans. Thanks to this approach, the regulations that are adopted will be well suited to the specific situations facing the different provinces and territories.

This bill also provides that section 347 will continue to apply in those provinces and territories that elect not to pass legislation governing the payday loan industry.

If a province or territory has made the decision that payday lenders operating within that province or territory are to be exempt from the application of section 347 of the Criminal Code, it will have to apply to be designated for that purpose by the federal government. In order to be exempted, it will have to show that it has adopted legislative measures that protect anyone who wants to take out a payday loan. What those consumer protection measures are will be left virtually entirely to the discretion of the provinces and territories.

This is a valid approach in that it recognizes the nature of the situation in each jurisdiction, including, specifically, the way that the industry operates there, and also the existing provincial consumer protection legislation adopted under the powers assigned to the provinces by the Constitution in relation to property and civil rights.

Bill C-26 requires, however, that the province provide for limits on the total cost of payday loans in its legislative measures. I believe that this approach reflects three fundamental factors.

First, the provinces and territories are capable of controlling the cost of loans within their jurisdictions. Second, this guarantees that there will be a limit on the cost of borrowing. And third, as we saw earlier, it offers a flexible solution that can be adapted to the characteristics of each province and territory.

● (1650)

The Governor in Council will make the necessary assessment before granting a province or territory the designation applied for. The province will apply to the federal Minister of Justice, stating the legislative measures it has taken to control the cost of loans. Then, on the recommendation of the federal Minister of Industry, the Minister of Justice will ask the Governor in Council to grant the designation applied for. The province will then be given the power to exempt a payday lender, by licence or otherwise, from the application of section 347.

All in all, I believe that Bill C-26 is very important. It offers Canadians greater protection by allowing the provinces and territories to regulate an industry that is in great need of oversight. It sets very clear limits. It defines payday loans and sets a limit of \$1,500 for loans that may be made under these rules. It invites the provinces to adopt legislative measures to regulate payday loan agreements, and in particular the total cost of the loans.

Bill C-26 is further proof of the government's commitment to working with the provinces and territories on matters of common interest. The amendments proposed will have an important and real effect on the Canadians who have come to depend on this service. I hope that all members will join me in ensuring the speedy passage of this bill.

● (1655)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, since for all intents and purposes we are discussing micro-credit, I would like to point out that the member for Winnipeg Centre and the member for Skeena—Bulkley Valley made special mention of the social responsibilities that banks should have. I remember introducing a bill, on another occasion, that would have allowed banks to play a social role by helping the most disadvantaged and the poorest who have to pay administrative fees. Often bank services are not accessible to these individuals.

Government Orders

I would just like to make an important point. The member for Edmonton—Sherwood Park mentioned that the member for Winnipeg Centre was too kind to the poor and that we have to follow the lead of the government in terms of Bill C-26. I would like to point out that, this year, Mr. Muhammad Yunus received the Nobel Peace Prize. He is an economist who established a micro-credit system, with 1,200 micro-credit offices, which today has created jobs for 12,000 individuals. These are small repayable loans made at rates that are probably much lower than 60%. It gives credence to the statement that, and I quote, “Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty”.

If people need payday loans and, if for all intents and purposes, micro-credit were available for relatively short periods, would it not be important enough to warrant establishing this system within the banks? They could be asked to play a social role and to loan small amounts. We know quite well that, more and more, banks—all banks—make profits in the order of hundreds of millions of dollars, profits often in excess of one billion per year.

Ordinary banks have a social responsibility. I ask the member: would it not be better to ensure that banks fulfill their social responsibilities rather than protecting a loan system which, for all intents and purposes, is usurious?

Mr. Jacques Gourde: Mr. Speaker, I think that new legislation will provide us with a tool to give the provinces and territories a way to regulate and perhaps help the micro-credit sector we are discussing. Canadians must need these kinds of loans. Payday lenders have monopolized this part of the market, a market that is not currently regulated.

It is really important to regulate this industry to protect millions of Canadians. That is why I support this bill.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, does the member realize that if this bill is passed, there will be many differences between the provinces?

Does the member think that the Quebec model is a good one?

Perhaps he is aware that the Quebec model limits interest rates to 35%, while the Criminal Code limits rates to 60%.

Does he think this is a good model for all of the provinces?

• (1700)

Mr. Jacques Gourde: Mr. Speaker, the tool we will be providing to the provinces and territories will enable them to set their own maximum rates.

We have a very good system in Quebec, and credit unions are firmly established in both rural and urban communities.

We do not have this problem in Quebec, and I think that is because the banking and credit union services provided by Desjardins are closer to the people. I hope that banking services that meet the people's credit needs will develop in other provinces.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, as far as this Quebec model is concerned, I would like my colleague to know that in Quebec, payday lenders were abolished through the Consumer Protection Act, which has very strict obligations for lenders of every kind.

The annual borrowing rate has to be indicated on the loan agreement. All fees are calculated in the annual rates. There is no possibility of adding other fees such as record creation fees, form processing fees and so on. The law says that an annual interest rate greater than 35% is abusive.

Why present this bill that interferes in provincial jurisdictions?

Every province could adopt its own consumer protection act and thereby regulate this loan industry, which often includes some very abusive lenders.

Mr. Jacques Gourde: Mr. Speaker, again, in my opinion this legislation will allow territories and provinces to legislate and help this industry that has been around since 1994.

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I will go back to the question the hon. member for Trois-Rivières asked because her question was not fully answered.

In Quebec, we have a financial system that was implemented by institutions and designed with a view to protecting consumers through a consumer protection network. We are here in this House in the process of developing a new system that may interfere with the one already in place for protecting the most vulnerable from these types of loans.

As my colleague was saying, we are talking about loans with a 60% interest rate. In my opinion, a 60% interest rate is excessive. It practically amounts to usury and exploitation.

I do not understand the need to introduce a bill that interferes in a provincial jurisdiction. The addition of this measure will encourage financial institutions to further exploit the least fortunate in our society, when in Quebec and in other provinces, we already have legislation to protect the most vulnerable and the least fortunate in our society who often use this type of loan. I would like the hon. member to respond.

Why introduce a bill that will harm the most vulnerable in our society?

Mr. Jacques Gourde: Mr. Speaker, I am pleased to respond to my colleague's question.

The payday loan system was not regulated. We have a duty to introduce this bill in order to help millions of Canadians.

Mr. Serge Cardin: Mr. Speaker, when I requested the floor to ask the hon. member a question earlier, it was to remind him that the bill should help not just the provinces and territories, but also the least fortunate in our society.

To come back to what I said in a previous question, this is oddly similar to micro-credit and, in my opinion, it is the financial institutions—which make outrageous profits—who should take responsibility.

• (1705)

Mr. Jacques Gourde: Mr. Speaker, I think that our bill will solve the payday lending problem.

Government Orders

[*English*]

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I am pleased to rise in the House today to speak to Bill C-26, an act to amend the Criminal Code with regard to criminal interest rates.

[*Translation*]

This bill is in fact designed to regulate the payday lending industry. This will be done by limiting the interest rates lenders can charge Canadians.

[*English*]

I am quite pleased as well to see that the minority government is taking advantage of the hard work done by previous Liberal ministers of industry and justice. In introducing this bill, it surely gives a sign that what we were doing before was just fine.

It is flattering to see Canada's new government actually putting forward many bills that were in the past proposed by Liberals. Despite what my colleagues on the other side of the House may be saying, they are acting as if what was done before was going in the right direction.

It was the previous Liberal government that worked with our provincial and territorial colleagues to build the consensus necessary for the legislation that we are discussing today. Currently, section 347 of the Criminal Code of Canada makes it an offence to enter into an agreement or arrangement to receive interest at a criminal rate or to receive a payment that is at a criminal rate.

It is interesting to note that section 347 was introduced initially to deal with the practice of loansharking and its links to organized crime. It was not always the written signed agreement under the shiny lights on the main streets of our cities that these arrangements were entered into, but often in the back alleys and through very informal discussions.

Although section 347 has been interpreted as applying to most lending arrangements in Canada, including payday lending, it was not intended to be consumer protection legislation or a consumer protection tool for economic price regulation when it was first introduced. It would seem that section 347 was attempting to capture criminals who looked like criminals and not criminals who look like storefront entries as many of the payday lending institutions of today's currency do.

In fairness, the Canadian Payday Loan Association itself, unlike the characterization of the member for Winnipeg Centre that would have us believe is made up totally of criminals, is in fact proposing this legislation which will be of benefit to consumers and the people we represent.

However, let us look at the scourge of the bad payday lending experience and what it has visited upon our citizens. In British Columbia a judge ruled in a class action that a payday loan company charged criminal interest rates when it included its late fees and processing fees as interest. That is what the court ruled. The ruling is expected to influence the outcome of many decisions. It is an instance of where the judiciary has stepped in to characterize as interest what may be seen as fees and thereby impinging some payday loan arrangements.

Last year in Ottawa, a small claims court judge ruled that two payday loan companies suing clients for unpaid debts, this is ironic, were themselves avoiding the law and breaking the law. The facts as they came out were that a loan of \$280 rose with interest and penalties to \$551 per month. That is an annualized interest rate of more than 2,000% and these people had the temerity to bring it to court to get their money.

The judge could not rule that it was in violation of the law because that was not the dispute in front of the court, but it shows the boldness and frankly, the arrogance of some payday lenders in charging that amount of interest and standing by it as if it were not more than 60% which is clearly set out in the Criminal Code.

Bill C-26 would not put an end to payday loans. The industry could easily continue to operate, but it is going to operate with controls. It is important to note that the legislation does not apply to loans over a certain amount, \$1,500 and over a certain length, 62 days. This act does not replace the Criminal Code.

I think a principal theme of our discussions today on this bill must address the paucity in the Criminal Code itself to deal with the crime. So anything that is over 62 days that is over 60% ought to be prosecuted.

• (1710)

In studying the bill, we have learned that there are very few prosecutions. It is time for the government to take this information, as if it did not know it before, and tell the administration of justice officials, both federally and provincially, that we have a section called 347 and it should be enforced. If it is true, but we do not know because we have not had a full hearing on section 347, that only a prosecution or two have been made under this section in the last few years, something has to be done about that. The bill will not cure any of the in excess of 60% in loans that are longer and larger in duration than what it attempts to cover. However, it is a start, it is good legislation and we should support it.

It means, however, that the provinces and territories have to get their acts together. I am very hopeful that the new federal government has kept good relations with all the provincial counterparts and has, like we did before, an easy discourse of opinion on how to best influence reasonable rates, like the province of Quebec has administered for some time under its consumer protection legislation.

[*Translation*]

Several provinces, including New Brunswick, have already announced their intention to regulate payday lending once this bill is passed.

I know that the new Liberal government in New Brunswick will address that situation as soon as this is done.

[*English*]

I know T.J. Burke, the new attorney general for the province of New Brunswick. He is the first aboriginal attorney general in Canada, and he is an excellent law official. Once this legislation passes, I know he will be looking to the models across the country, specifically the model in Quebec, which seems to give to our citizens the best consumer protection.

Government Orders

Payday lending is a growing industry in Canada. Virtually non-existent in 1994, the industry is believed to have grown to more than 1,300 outlets in just 10 years. That is why perhaps this law is just coming to us now. We probably all saw the industry grow, but empirically did not know that 1,300 outlets existed across Canada. Nor would we know, if we are not users of the services, what horror they are inflicting on our citizens.

The number of payday loan outlets now outrank the number of offices of the Royal Bank of Canada. Therefore, it is important to underline that this is not just a Main Street, Stellarton, one-off issue. The bill is dealing with a Canadian issue.

Only 850 or so of these institutions are represented by the Payday Loan Association. They have been very forthcoming in lobbying for a bill to protect consumers. I would suggest to go halfway to also ensure that they have an existence after the passage of the legislation.

One thing we may consider, as the bill travels along the process to committee, whether we will strengthen the legislation and attempt to affect and to curb the impact of usury on our citizens.

I cannot say this strongly enough. While VISA cards regularly get 28%, the province of Quebec has chosen 35% as a ceiling interest rate. I cannot say strongly enough how we, as parliamentarians, in the moral persuasive stance that we have with provinces and territories, might suggest that the Quebec model is a good model for the citizens who we share as electors.

• (1715)

[*Translation*]

The significant growth of this sector is actually hiding the dire situation facing many Canadians.

A few years ago, holding a full time job was enough to support one's family. Unfortunately, that is not necessarily the case anymore. Times have changed. Many Canadians work full time, and some even work more than one job, but that is still not enough to support their families financially. There lies the real tragedy.

[*English*]

We are doing just a bit to help the working poor in this situation.

As a former member of an Open Hands Food Bank organization in Moncton, New Brunswick, food banks are no longer visited by the very poor and destitute only. They are often visited by the working poor, people who work as a couple with minimum wage jobs, people who need to have two minimum wage jobs, people who have children or people who have a letdown in hours at the video store, one of their minimum wage jobs. This means they are forced to go to the food bank or, as I say, *le vrai drame*, to the Money Mart, to get a loan at a high interest rate to pay the rent, to have groceries and to ensure their children can go to school.

Does it make sense to borrow money from someone who is going to charge an outrageous interest rate? Of course not. The fact is, however, an increasing number of Canadians have no choice. They have generally been turned down for loans at the chartered banks and other financial institutions. Although many of them have full time jobs and a steady source of revenue, many have no choice but to go

for the short term, high interest rate loans to survive between pay cheques.

The real tragedy is that in 2006 working hard and having a job might not be enough to support one's family. I find it troubling that more and more Canadians cannot meet their everyday living costs. In recent years many social groups have pointed out that the number of citizens living under the poverty line is growing and that having a full time job does not necessarily protect one from poverty in today's world. This is very unfortunate, something that is compounded by the fact that if a person goes in to borrow \$280, that somehow turns into a \$551 per month payment. We are doing something, but very little to help that problem.

While we say the bill is good, what about the social safety net that the new government is putting out for the people who are left to have 60% interest loans, from the legal Money Marts, for 62 days for amounts under \$1,500?

Let us not over blow what step this small bill is toward the journey of helping us help the working poor. If we combine the statistics of the working poor, the increased usage of our social service agencies, with the major cuts that the Conservative government announced three weeks ago, it is now clear the new government does not care about those most in need, the poorest citizens and the minorities throughout our country.

Let us face it, the Conservatives are leaving the most vulnerable behind. A true national child care program, aboriginal health initiatives, literacy funding, homelessness, affordable housing initiatives, these were all mechanisms to help low income families, they very people who are most victimized by the ravages of the Payday Loan Association members.

All the measures I suggested have been cut and cramped in the recent Conservative announcements, such as national child care, teaching children how to succeed in life, literacy, teaching children and adults that they can read and they can get better jobs, tackling the homeless initiative, which was once made a very national and prominent program under the former member for Moncton—Riverview—Dieppe, the hon. Claudette Bradshaw, are all gone as priorities in the government.

Although the government will do some lip service to the Payday Loan Association, mainly because it is a good lobby and it might get some credit for helping the working poor, it is really saying it will not go that far and reinstitute programs, which were of national importance for eradicating the spectre of cyclical use of social services and organizations, such as payday loan institutions.

Government Orders

The same low income family that works hard to survive but cannot afford to put money aside for rainy days is forced to live from paycheque to paycheque. Exactly the same people are being denied loans from banks and they end up at the payday loan services, probably just before or after they go to the food banks. Before having to do this, they probably had time in their day to get some literacy training, or they may have been able to access some child care initiatives. However, they are not going to be any better off with the Conservative government as the years go by.

● (1720)

The real point is that this is a good step in a long road. The Conservative government must understand it entails much more than just initializing a law that was started by a former government, which is a needle in a haystack with respect to the battle against poverty, especially among the working poor.

[*Translation*]

This bill will ensure that those who turn to payday lenders do not fall victim to questionable practices, criminal interest rates and unfair collection techniques. More importantly, it will help make sure that they are not sucked into the vicious circle of debt and outstanding loans.

[*English*]

Bill C-26 is a positive, necessary step in the right direction and it battles loansharking, but it does not do enough at this point. The House should encourage all provinces and territories to look at the model is the model of Quebec. I hope this will happen at the committee stage.

As we move along the legislative process, we find that many of our models for a just and fair society have come from the province of Quebec. Programs like the national child care program and the legislation for consumer protection are best modelled in Quebec. In our discussion we should encourage the provinces to follow those examples.

The finance minister for the province of Manitoba is in the process of deciding how to deal with the brief put forward by the Payday Loan Association. The president of the Payday Loan Association says that Manitoba's proposed law is in line with the code of best business practices adhered to by its members. It operates 800 of the 1,350 payday loan offices in the country.

What is not known is the fee cap the province would set. The finance minister, Mr. Selinger, is proposing to make fees and rates on payday loans subject to public review by the local public utilities board. If the Quebec model is not the model provinces choose to follow, by having consumer protection legislation govern the scheme, then the model of having the public utilities board review rates of interest that can be charged by payday loan associations, which survive this document, would be very preferable.

We seem, as the federal sphere, to have gone away from consulting and advising the provinces with respect to best practices, and not necessarily mandated practices. By this I mean giving them a cheque and telling them they must do this or they must do that. Rather do it in a true constitutional sense, as partners that share the same citizens, the people who vote for them vote for us, and suggest they look at the models, which include the Quebec consumer

protection legislation and the suggestion of the very wise finance minister in Manitoba of public utility board regulating interest rates.

The public utility boards across the country are made up, by and large, of non-partisan people interested in consumer protection in the areas of energy and transportation. In this case, Manitoba would invade the field by suggesting interest rates on short term loans would be properly in the public domain of the public utilities board. In many provinces public insurance is dealt with at a provincial level and the rates of insurance are decided by a public utilities board.

Again, this is a very good step. It follows on Liberal legislation, which was being thought of before the government fell. It is enough at this point to say we support it. However, at committee perhaps suggestions as to the how, not the why, the bill will play out across the country can be discussed along with our desire as parliamentarians to ensure the bill is implemented in as even a fashion across the country as possible.

In closing, I thank the citizens of Moncton—Riverview—Dieppe for giving me their input on this most egregious example of lending at usurious rates. I assure them, in supporting the bill, that it is not a cure, not the be-all and end-all. It is a tiny step on the long road to helping the working poor in our country.

● (1725)

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I think we are losing sight of something that is important here and that is the magnitude of the problem.

The member opposite talked about usurious interest rates and the member for Winnipeg Centre before him talked about the way credit card companies are ripping us off.

Let us take an interest rate of 18%, which is the rate of a typical credit card. I would like to ask the member this. Let us say he was walking down the street and a stranger approached and said, "Will you lend me \$100 and a month from now I will give you \$101.50, if I happen to show up, with no security?" Would he lend the stranger the money? I suspect he would not. Yet to charge \$1.50 on a \$100 loan for one month is 18% per annum.

I think we need to get away from the idea that the fee charged is a straight interest charge. We know that many short term loans go into default, so the money is gone. These companies do not get the \$101.50. They do not get the original \$100 back. It is gone. For them to charge a little more because of the risk of the situation I do not think is terribly unreasonable.

Furthermore, to charge \$2 for a \$100 loan for a month hardly covers the cost of the employees and certainly not the cost of the store for which they have to pay rent, utilities, taxes and so on. They are going to charge maybe \$2 or \$3 for a \$100 loan for a month. That is a service they are providing. If we take that away, then our poor people have nothing.

Business of Supply

I have other questions, Mr. Speaker, but just from your posture of sitting on the edge of the chair I know I have to shut down for now.

Mr. Brian Murphy: Mr. Speaker, very briefly, I would not dare to guess what the hon. member's community is like, but I suggest that it is fairly similar to mine. In my community, the owner and operator of the Money Mart is not the chamber of commerce president. He is not the Rotarian president. He is not a person in society who symbolizes best business practices.

In short, it is a very risky business in terms of loaning money. That is why loan sharks are in it. They like risk but they also have enforcement, and I see no difference between the example of Louie G., posited by my friend from Winnipeg Centre, who would break a leg, I suppose, if a loan were not repaid, and the owner of the payday loan business, who would basically bankrupt a person into not being able to afford the necessities of life.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I think that the remarks of the member opposite are somewhat out of sync with my beliefs.

The question we have to ask ourselves is: why do people borrow money at rates as high as 60%? Often, these are disadvantaged people faced with a lack of money, services and community support.

After slashing the literacy program for women and Aboriginal people, why do the Conservatives continue to take advantage of the most disadvantaged with their devastating policies?

• (1730)

Mr. Brian Murphy: Mr. Speaker, I completely agree with the question.

Once again, I support the province of Quebec's model. Thirty-five percent is plenty. Sixty percent is in the Criminal Code. Personally, I find that interest rate incredible and criminal. It applies in Canada. For the fourth time, it is better in Quebec.

* * *

[*English*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—ECONOMIC AND FISCAL POSITION

The House resumed from October 19 consideration of the motion.

The Acting Speaker (Mr. Andrew Scheer): It being 5:30 p.m., pursuant to order made on Thursday, October 19 the House will now proceed to the taking of the deferred recorded division on the motion of the member for Markham—Unionville relating to the business of supply.

Call in the members.

• (1805)

[*Translation*]

(The House divided on the motion, which was negated on the following division:)

(*Division No. 46*)

YEAS

Members

Alghabra	André
Bagnell	Bains
Barbot	Barnes
Beaumier	Bell (North Vancouver)
Bellavance	Bennett
Bevilacqua	Bigras
Blais	Bonin
Bonsant	Boshcoff
Bouchard	Bourgeois
Brisson	Brown (Oakville)
Brunelle	Byrne
Cardin	Carrier
Chamberlain	Chan
Coderre	Cotler
Crête	DeBellefeuille
Demers	Deschamps
Dhaliwal	Dhalla
Dion	Dosanjh
Dryden	Easter
Faille	Folco
Gagnon	Gaudet
Gauthier	Godfrey
Goodale	Graham
Guarnieri	Guay
Holland	Hubbard
Ignatieff	Jennings
Kadis	Karetak-Lindell
Karygiannis	Keeper
Kotto	Laforest
Laframboise	Lapierre
Lavallée	LeBlanc
Lee	Lemay
Lévesque	Loubier
Lussier	MacAulay
Malhi	Malo
Maloney	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Minna	Mourani
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Nadeau	Neville
Ouellet	Owen
Patry	Perron
Peterson	Picard
Plamondon	Ratansi
Redman	Robillard
Rodriguez	Rota
Roy	Russell
Scarpaleggia	Scott
Sgro	Silva
Simard	Simms
St-Hilaire	St. Amand
St. Denis	Szabo
Temelkovski	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Thibault (West Nova)	Tonks
Valley	Vincent
Volpe	Wappel
Wilson	Zed — 120

NAYS

Members

Abbott	Albrecht
Allen	Ambrose
Anders	Anderson
Angus	Atamanenko
Baird	Batters
Bell (Vancouver Island North)	Benoit
Bernier	Bevington
Bezan	Black
Blackburn	Blaikie
Blaney	Boucher
Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinooge

Routine Proceedings

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

The House resumed from October 23 consideration of the motion.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion to concur in the seventh report of the Standing Committee on Canadian Heritage in the name of the hon. member for Saint-Lambert.

Hon. Jay Hill: Mr. Speaker, I think if you were to seek it you would find unanimous consent to apply the vote just taken on the previous motion to the motion presently before the House, with Conservative members voting no.

The Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

Hon. Karen Redman: Mr. Speaker, Liberals will be voting yes to the motion. I would also ask that the member for Newmarket—Aurora, who was not in the chamber and did not vote on the last motion, be counted as voting yes as well.

[Translation]

Ms. Pauline Picard: Mr. Speaker, members of the Bloc Québécois will be voting in favour of the motion.

Mr. Yvon Godin: Mr. Speaker, members of the NDP will be voting in favour of the motion.

[English]

Mr. Garth Turner: Mr. Speaker, I would like to record a negative vote on the part of the independent party of Halton.

● (1810)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 47)

YEAS

Members

Alghabra	André
Angus	Atamanenko
Bagnell	Bains
Barbot	Barnes
Beaumier	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bennett	Bevilacqua
Bevington	Bigras
Black	Blaikie
Blais	Bonin
Bonsant	Boshcoff
Bouchard	Bourgeois
Brisson	Brown (Oakville)
Brunelle	Byrne
Cardin	Carrier
Chamberlain	Chan
Charlton	Chow
Coderre	Comartin
Cotler	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Davies	DeBellefeuille
Demers	Deschamps

Calkins	Cannan (Kelowna—Lake Country)
Cannon (Pontiac)	Carrie
Casey	Casson
Charlton	Chong
Chow	Clement
Comartin	Crowder
Cullen (Skeena—Bulkley Valley)	Cummins
Davidson	Davies
Day	Devolin
Dewar	Doyle
Emerson	Epp
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Galipeau
Gallant	Godin
Goldring	Goodyear
Gourde	Grewal
Guergis	Hanger
Harper	Harris
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Layton
Lemieux	Lukiwski
Lunn	Lunney
MacKenzie	Manning
Mark	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
Mayes	McDonough
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nash
Nicholson	Norlock
O'Connor	Obhrai
Oda	Paradis
Petit	Poilievre
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Scheer	Schellenberger
Shiely	Siksay
Skelton	Smith
Solberg	Sorenson
Stanton	Stoffer
Storseth	Strahl
Sweet	Tilson
Toews	Trost
Turner	Tweed
Van Kesteren	Van Loan
Vellacott	Verner
Warawa	Warkentin
Watson	Williams
Yelich — 139	

PAIRED

Members

Ablonczy	Allison
Bachand	Del Mastro
Duceppe	Dykstra
Freeman	Guimond
Lalonde	Lessard
MacKay (Central Nova)	Mills
Pallister	Paquette
St-Cyr	Thompson (New Brunswick Southwest) — 16

The Speaker: I declare the motion lost.

Private Members' Business

Dewar	Dhaliwal
Dhalla	Dion
Dosanjh	Dryden
Easter	Faille
Folco	Gagnon
Gaudet	Gauthier
Godfrey	Godin
Goodale	Graham
Guarnieri	Guay
Holland	Hubbard
Ignatieff	Jennings
Julian	Kadis
Karetak-Lindell	Karygiannis
Keeper	Kotto
Laforest	Laframboise
Lapierre	Lavallée
Layton	LeBlanc
Lee	Lemay
Lévesque	Loubier
Lussier	MacAulay
Malhi	Malo
Maloney	Marleau
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Martin (LaSalle—Émard)
Martin (Sault Ste. Marie)	Masse
Mathysen	McDonough
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelega)	Ménard (Marc-Aurèle-Fortin)
Minna	Mourani
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Nadeau	Nash
Neville	Ouellet
Owen	Patry
Perron	Peterson
Picard	Plamondon
Ratansi	Redman
Robillard	Rodriguez
Rota	Roy
Russell	Scarpaleggia
Scott	Sgro
Siksay	Silva
Simard	Simms
St-Hilaire	St. Amand
St. Denis	Stoffer
Stronach	Szabo
Temelkovski	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Thibault (West Nova)	Tonks
Valley	Vincent
Völpe	Wappel
Wilson	Zed — 146

NAYS

Members

Abbott	Albrecht
Allen	Ambrose
Anders	Anderson
Baird	Batters
Benoit	Bernier
Bezan	Blackburn
Blaney	Boucher
Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinooge
Calkins	Cannan (Kelowna—Lake Country)
Cannon (Pontiac)	Carrie
Casey	Casson
Chong	Clement
Cummins	Davidson
Day	Devolin
Doyle	Emerson
Epp	Fast
Finley	Fitzpatrick
Flaherty	Fletcher
Galipeau	Gallant
Goldring	Goodyear
Gourde	Grewal
Guergis	Hanger
Harper	Harris
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer

Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lemieux	Lukiwski
Lunn	Lunney
MacKenzie	Manning
Mark	Mayes
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Paradis	Petit
Poilievre	Prentice
Preston	Rajotte
Reid	Richardson
Ritz	Scheer
Schellenberger	Shipley
Skelton	Smith
Solberg	Sorenson
Stanton	Storseth
Strahl	Sweet
Tilson	Toews
Trost	Turner
Tweed	Van Kesteren
Van Loan	Vellacott
Verner	Warawa
Warkentin	Watson
Williams	Yelich — 114

PAIRED

Members

Ablonczy	Allison
Bachand	Del Mastro
Duceppe	Dykstra
Freeman	Guimond
Lalonde	Lessard
MacKay (Central Nova)	Mills
Pallister	Paquette
St-Cyr	Thompson (New Brunswick Southwest) — 16

The Speaker: I declare the motion carried.

[English]

It being 6:10 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

CANADIAN WHEAT BOARD ACT

The House resumed from June 19 consideration of the motion that Bill C-300, An Act to amend the Canadian Wheat Board Act (direct sale of grain), be read the second time and referred to a committee.

The Acting Speaker (Mr. Andrew Scheer): Order, please. I would invite all hon. members, including cabinet ministers, to carry on any conversations that they may wish to continue outside the chamber so the rest of us can get on with the private members' business that is before the House.

The hon. Parliamentary Secretary to the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board has two minutes left in his remarks and may do so now in debate.

Private Members' Business

Mr. David Anderson (Parliamentary Secretary (for the Canadian Wheat Board) to the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, it is good to be here this afternoon and to speak again to this bill that was brought forward by the member for Battlefords—Lloydminster. This is one of the most progressive bills we have had in the House and I say that even though I am on the government side.

The bill would allow producers to come forward and sell their grain directly to any kind of a processing organization that is controlled or owned by producers themselves. We think this is necessary. It is a tremendous advancement for western Canadian farmers. What could be better than producers finally taking their own product and selling it to processing plants in which they can have a share. The producers can value add that way.

Other farmers across Canada take these kinds of opportunities for granted, but not western Canadian producers because they are prohibited from doing this. This bill would deal with that situation and help them to have the same advantages and opportunities that others do.

The real disgrace here is that the opposition is, apparently, going to oppose the bill. I do not understand why they would. The member for Malpeque has said that he wants to give farmers a bigger role in the marketplace. This bill would do that. It gives a tremendous opportunity to farmers.

The NDP members seem to have been taken over by the big city unions. They said at one time that they used to represent the little guy but obviously they do not and they are showing that one more time by opposing this bill.

The Bloc, unfortunately, has jumped on this bandwagon by mistake. I do not think that party understands the implications of the bill.

However it is important for western Canadian farmers to have this opportunity. We are certainly calling on the House to support the bill because we think it would finally bring forward some of the value added activities that we need in this country.

I do not know if I can stress how important this is to western Canadian farmers, to our small towns and to our cities to have value added plants, to participate in the ownership of those plants and to deliver their product directly to them. It is a shame that we cannot do that right now. I think we are only asking for what everyone else in this country has. We look forward to the time when we will have that.

When this bill comes to a vote I call on all members of the House to please support it. I beg the opposition members to reconsider their opposition to it. They have taken a bad position but hopefully they will change their minds and support the bill and help the member for Battlefords—Lloydminster to actually move ahead and give our farmers the opportunities they need.

•(1815)

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, pulling on the thread of stability means the seam of prosperity the Wheat Board provides will be destroyed.

Bill C-300 has, as its hidden intent, the goal of dividing and conquering, which would lead farmers to go head to head against the multinational corporations. Can anyone imagine individual farmers competing directly with international cartels for rail cars?

It has been said that the bill would do in 12 weeks what the Americans have been trying to do for 12 years: destroy the Wheat Board.

The farmers of Canada have questioned, what? First, the CWB and then supply management. It is not far-fetched to assume that this is the logical progression. There is definitely a hidden agenda at play.

Ken Larsen writes:

Two American firms (Cargill and Tyson) slaughter and package 90% of Canada's beef. A handful of millers process wheat into flour. Three grocery chains control over 70% of the retail grocery market. These giant companies are the customers that thousands of individual farmers must deal with to sell their product.

The now chronic farm income crisis is largely a manifestation of this imbalance between the thousands of farmers and the handful of giants they have to deal with. Compared to these giants, there is no such thing as a large farm. Due to the limitations of technology and biology, it is essentially impossible to create a sustainable farm that can bargain on an equal footing with these giant corporations.

This arrangement gives farmers bargaining power to negotiate freight and handling with the railways on the 350,000 or so grain cars which go to the west coast each year. A customer like the CWB has more negotiating power with the railways than a farmer shipping six or even 50 cars of grain to port.

The latest attempt to weaken this marketing power of farmers is Bill C-300. It is another attempt by the agri-business sector and its lackeys to take a greater share of the economic pie from those whose powers are the weakest, the farm producers.

Independent economic studies have demonstrated that the Canadian Wheat Board is worth an extra \$2 million per day to western farmers. As one prominent farm writer said of Bill C-300, "Apparently innocuous to the uninformed, Bill C-300 will deliver up the CWB's head on a platter to the concentrated American wheat lobby, led by multinational grain interests"

Ken Ritter, a farmer and chair of the CWB, said it best:

...the ability to attract premiums and the strength to go toe-to-toe with the world class heavyweights in the grain industry - are predicated on the single desk. So the notion that you can have a "dual market" with a strong, effective CWB alongside the lack of restrictions that come with the open market is quite simply misguided. It can't work. The second the CWB is voluntary, the single desk disappears and with it, the benefits I have just outlined.

Recently we talked about the flexibility of the Canadian Wheat Board and the fact that the board can adapt as necessary is indicative. One of the three newest initiatives, the delivery exchange contract, will provide farmers with increased flexibility in how they manage their deliveries and their cashflow needs throughout the crop year. The second initiative is a pilot program for marketing organic grain in partnership with the Canadian Organic Certification Co-operative Ltd. The third initiative is a series of enhancements to farmers to contract their durum wheat for delivery throughout the CWB.

Private Members' Business

The overriding message with respect to Bill C-300 is that without discussing the merits or de-merits of the bill we believe any major changes to the manner in which western grain is marketed or processed must be a decision by the farmers affected and that the Minister of Agriculture and Agri-Food should take those proposals to the board and seek the endorsement of producers through a fair plebiscite.

We oppose the bill not for what it does, but because of the means used to change the relationship of western grain farmers to the Canadian Wheat Board. Normally we consider private members' bills as free votes in the House but it is my contention, along with many others on this side of the House and other parties, that this is nothing more than a stalking horse for the Conservative government in an ideological vendetta. This would undermine and ultimately dismantle the Wheat Board.

● (1820)

In effect, it attempts to circumvent the process by which the board of directors of the Wheat Board, the majority of whom are producers and are elected by producers, is consulted and required to vote on these proposed changes. The problem is that farmers, through a plebiscite on a straightforward and honest question, will decide their own future. The question must be simple and unambiguous: Do you or do you not support the single desk selling feature of the board? It is a straightforward yes or no.

Bill C-300, although short in length, could have a very serious and long term negative impact upon our western grain producers. This is absolutely high-handed, anti-democratic and truly a railroad of the lowest order. Never before in the history of the Canadian farmer has any government deliberately attempted to destroy the farmer's ability to profit and succeed.

This will also prove disastrous for ports such as Thunder Bay, the one I represent in Thunder Bay—Rainy River, as it will for Churchill, Montreal and even Vancouver, because when it is decided to send the wheat south, what else will go south? Not only will the marine industry, the headquarters and the research capabilities go south, but will the Vancouver grain industry move to Seattle? Likely. Will Winnipeg and all its research and development capabilities move to Minneapolis or St. Paul? Highly likely.

What we are doing here is unravelling the thread, essentially condemning western Canada to a demise. We are putting its farmers essentially at the whim of a market where they have to compete against people and corporations international in scope with all the effective marketing skills they have.

When we talked about the dilution of this, it not only affects those ports, but it also affects the Great Lakes-St. Lawrence Seaway system and indeed, the internal marine economy of North America. It will certainly have detrimental effects on Thunder Bay, Sault Ste. Marie, Windsor and Toronto. We can name them as we go down the St. Lawrence Seaway; they will all be affected detrimentally.

It is easy to say we can do one thing with the bill, that this is only to affect one part of it, but when it destroys the railway system, when it destroys the producer network, when it destroys the grain elevator system, that will all have a horrendous impact on the Canadian economy. It is interesting to see that some people just do not care

what those impacts will be because of their ideological perseverance, but it will hurt and it will hurt big time.

When we talk about the people we represent, in my riding truly the port and the railways are most affected, but so are the grain elevators, the grain companies and the hundreds of people who work there. Western Canada will also be extremely detrimentally affected. I have actual proof from farmers. I have no idea who they are or what their political background is, but it is highly likely that they did not vote for my party in the last election, but they will the next time because of this highly undemocratic way—

Mr. Brian Storseth: Why don't you go run in one of those seats?

Mr. Ken Boshcoff: I do not think anybody in Canada has ever seen such a totalitarian approach to eliminating democracy.

I get correspondence, faxes, letters, calls and emails from western Canadian farmers saying that they will never again vote for the Conservative Party because of this method. I have the correspondence and it is a delight to me, but it is still scary to see this still being carried through. The western Conservative MPs are not returning their phone calls. They are not responding to their constituents. Why? Because they know that this is a railroad and they are embarrassed and ashamed, and they should be.

● (1825)

When I go to Winnipeg and talk to people at the Wheat Board, when I receive correspondence and call the farmers back, they give me the straight goods. I do not understand why the government will not accept this message: stop fiddling, stop destroying, stop dismantling. The government has done enough damage. It should do what is right and let the farmers decide.

[*Translation*]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, it also gives me pleasure to rise and speak to Bill C-300, which I think is one of the elements of an effort to demolish the Canadian Wheat Board. The other elements are the leader's statements, the ministers' positions and the government's position within the committees. They all clearly show that this government, without consulting farmers, has put in place a diabolical machine so that the Canadian Wheat Board will disappear or become so unimportant that, for all practical purposes, it will disappear of its own accord.

It seems to me that attacking the Canadian Wheat Board is a first, extremely dangerous step. The Canadian Wheat Board has existed since 1940 in its form of monopoly. When it is attacked, it is a first step towards further attack, no doubt, on supply management, which serves very well the interests of Quebec and also many parts of the western provinces and Ontario.

This dismantling of everything that is government intervention is part of a sort of ideology, of a doctrine that is obvious at all levels, in all departments, and particularly in agriculture. Those people, however, got elected by saying they were going to be the big defenders of agriculture.

Private Members' Business

We know that all this got started a few years ago when the Conservatives, here in the House, took a stance in favour of 13 people who had sold their wheat directly in the west. They were prosecuted for this. They had not followed the rule that says that everyone has to go through the Canadian Wheat Board. From that time on, the ideological intention to demolish the Canadian Wheat Board was very clear.

The Canadian Wheat Board, however, has three very clear mandates: providing a sole marketing agency, pooling accounts and guarantees by government when needed. It seems to me that that is why this board is indispensable for ensuring income and service for farmers and making sure their wheat is disposed of in the best possible way. Furthermore this is what the government should be checking with farmers since no vote has been held. It should at least have a democratic consultation. No. Instead, the Conservatives even had the audacity and the nerve to appoint to the Canadian Wheat Board Mr. Motiuk, who is recognized as a passionate defender of choice in marketing.

This again shows where the government is headed. We can see from the introduction of this private member's bill and this appointment that the government is determined to destroy the Canadian Wheat Board. The government has also set up round tables, but with the very neutral objective of laying the groundwork for a dual marketing system. So consultation is not on the agenda, but the government's new direction is, with the result that the Canadian Wheat Board has refused to take part. In other words, board managers were going to take part in a round table where they would be a party to the abolition of their own agency. It was unthinkable.

These actions by the Conservatives, which are becoming more numerous, are unacceptable in a democracy. A vote absolutely must be held for producers, especially since this bill seems to contravene section 47.1 of the Canadian Wheat Board Act, which reads as follows:

The Minister shall not cause to be introduced in Parliament a bill that would exclude any kind, type, class or grade of wheat or barley, or wheat or barley produced in any area in Canada, from the provisions of Part IV, either in whole or in part, or generally, or for any period, or that would extend the application of Part III or Part IV or both Parts III and IV to any other grain, unless

(a) the Minister has consulted with the board about the exclusion or extension; and

(b) the producers of the grain have voted in favour of the exclusion or extension, the voting process having been determined by the Minister.

That is what must happen in order for change to occur. However, this bill, without consultation, is saying exactly the opposite of section 47.1.

● (1830)

We are bordering on the unlawful.

I would also like to remind the members of the statements made by the Conservative leader when in opposition. He even tabled a motion on November 6, 2002, stating:

That, in the opinion of this House, all Canadians are to be treated equally and fairly, and since Prairie wheat and barley producers are discriminated against solely because of their location and occupation, this House call on the government to take immediate action to end this discrimination and give Prairie farmers the same marketing choices that are available in the rest of Canada.

On November 6, 2002, the Conservative Party, by means of a motion tabled by the current Prime Minister, was staking out its position against the Canadian Wheat Board, favouring those who cheated or who wished to sell their wheat directly to the United States.

That was the first step. Subsequently, there was the Conservative Party's election platform which spoke of the appointment of a pro-choice director—just one more component; the round table, which stated in advance that we must go with a task force and end up with dual marketing; letter and e-mail campaigns, also orchestrated by the IWC; and, to top it all off, the ministerial order muzzling the Canadian Wheat Board directors as they would no longer have the right to say anything.

In other words, they no longer have the right to participate in a forum or to use, in any manner, their money to publicize action, report on the successes of the Canadian Wheat Board, organize conferences and consultations. No money must be spent.

Thus, the Canadian Wheat Board is muzzled and in the meantime money is spent on establishing a biased consultative panel, which must absolutely lead to dual marketing as the outcome. In fact, the conclusion is given prior to consultation. That makes no sense. Farmers must be consulted.

I do not have a lot of time, so I would also like to quote the Bloc Québécois agriculture and agri-food critic, the member for Richmond—Arthabaska, who described the Bloc Québécois' position very well. He said, and I quote:

Therefore, our position is to defend at all costs the existence of publicly-owned corporations as discussed at the WTO negotiations, for if the government abandons the Canadian Wheat Board, the entire collective marketing system may be weakened. I spoke earlier about the domino effect.

In other words, we will start with the Canadian Wheat Board, then, hypocritically, move on to attack supply management, which is indispensable to dairy producers and other collective marketing organizations. Our critic added:

This bill opens the door to attacks on all fronts, on all sides, against our collective marketing system.

With this bill, as with all of its policies concerning the Canadian Wheat Board, the Conservative government's intention is to offer farmers the freedom of choice. This might appear entirely democratic. In fact, we are talking about varied opportunities to sell their grain. In 2002, the current Prime Minister proposed a motion to eliminate the Canadian Wheat Board. Voluntary marketing is being proposed. However, that does not work, which is unfortunate for the member who is presenting the bill. A few people have tried this and experience has shown that the balance of power between sellers and buyers does not exist if the selling agency is not compulsory.

I urge all members present here today to keep the Canadian Wheat Board. In conclusion, I would like to express how disappointed I am that Conservative members from Quebec—who claimed to seek election in order to defend the interests of Quebec and said that the Bloc Québécois was all talk and no action—are not taking action themselves, are not speaking up, and are allowing such a bill to pass, although they know that this is the first step towards the destruction of supply management in Quebec. Yet, they remain silent.

● (1835)

This collaboration among Conservative members from Quebec and this government is unacceptable.

Private Members' Business

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I would like to ask at the outset if it would be the will of the House to allow me to split my time with the member for Sault Ste. Marie?

The Acting Speaker (Mr. Andrew Scheer): Does the hon. member for Winnipeg Centre have the unanimous consent of the House to split his time with the hon. member for Sault Ste. Marie?

Some hon. members: Agreed.

The Acting Speaker (Mr. Andrew Scheer): The hon. member will have five minutes for the first speech.

Mr. Pat Martin: Mr. Speaker, thank you for that generous permission, I appreciate it.

The NDP opposes Bill C-300, although I appreciate the right of my colleague from Battlefords—Lloydminster to bring this idea forward. We oppose this with every thread of our being and I am critical that the Conservative Party seems to be obsessed with dismantling the Canadian Wheat Board. It is not even a healthy thing because there is no business case to make as to why we should dismantle the Canadian Wheat Board.

I have said before that I believe it is pure ideological madness to dismantle the Canadian Wheat Board and I cannot say how critical I am of it.

Those of us who grew up on the Prairies remember the bad old days of the robber barons who would exploit farmers. Most of the mansions in Winnipeg were built by these very grain robber barons. We should also remember, if we read our history, the voluntary wheat board that was introduced in 1935 failed in a catastrophic bankruptcy, one of the largest bankruptcies in Canadian history, because it is simple.

If the initial offering price is higher than the market, the entity would get all the deliveries but the grain would have to be sold at a loss. If the initial offering is lower than the market, there will be no deliveries. It simply cannot work and Bill C-300 stripped down to its most fundamental basics means an end to the single desk marketing mandate of the Canadian Wheat Board and without the prerequisite vote. The legislation guarantees a plebiscite of Canadian farmers before any such fundamental changes are made. This bill seeks to undermine and usurp that democratic right.

The Conservative government is trying to do an end run on democratic process by first denying farmers the right to vote, as is their statutory right, and second, by this gag order prohibiting the Wheat Board from even defending itself.

I would like to read parts of a press release from the National Citizens' Coalition of 1998 on this very issue because at that time the Liberal government tried to impose a gag order on the National Citizens' Coalition over the Canadian Wheat Board.

After stating it was going to run the ads anyway, here is what the current Prime Minister, then the chair of the National Citizens' Coalition, had to say:

The NCC position is that such gag laws are unconstitutional and unenforceable. We intend to freely express our political opinions using our own resources—

In other words, he was advocating civil disobedience. He also said:

—our ads will point out that the agriculture minister—

—the current member for Wascana—

—seems to get his definition of democracy from Suharto and Castro.

I would argue that the current Prime Minister gets his ideas from Mussolini and Franco because it is absolutely fascist to deny the democratic right of farmers to vote and it is Fascist to use statutory strength and ability to silence opponents, and not even allow them to represent their own point of view.

The minister of agriculture from Manitoba will be coming before the agriculture committee tomorrow to announce that if the Government of Canada denies farmers the right to vote, Manitoba will conduct its own vote of prairie farmers on the future of the Canadian Wheat Board. That is democracy in action.

We will not take this lying down. We will not accept these draconian measures that would deny prairie farmers the right to their own self-determination as to how they market their grain, whether it is by a private member's bill or by the Minister of Agriculture and Agri-Food and his heavy-handed jackboot approach to this issue.

We say without any fear of contradiction whatsoever that we will defend the Canadian Wheat Board, this great prairie institution, because all the empirical evidence shows that prairie farmers are better off by marketing their products through the Canadian Wheat Board and its strength is in its universality.

In unity there is strength. It is a popular saying where I come from and that is why prairie farmers banded together as a grassroots movement to build the Canadian Wheat Board to market their grain internationally, effectively, and at a higher rate of return than they could individually.

I am opposed to Bill C-300. It will not get our vote. I can speak for the NDP caucus. We will vote against Bill C-300 and we will stand up for the Canadian Wheat Board.

• (1840)

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I want to thank my colleague from Winnipeg Centre for allowing me these few minutes to put my thoughts on the record with regard to this draconian bill that is before us here today. I want to ask the questions that farmers, who I have been talking to over the last two or three months, are asking. Why are we doing this? Why is the government heading down this road?

I met with 250 farmers in Saskatoon this summer. They were asking the same questions. I traveled across the breadth of my riding and into Algoma—Manitoulin—Kapusking yesterday and talked to farmers. Each one of those farmers asked the same thing because they know that once we get rid of the Wheat Board, which does not have much impact on them, next comes supply management. They are concerned about that.

Private Members' Business

They see what government has done to them over the last two or three years. The different challenges from other jurisdictions and mad cow disease has racked their industry. They want to know what the government is going to put in the place of this most important vehicle if in fact it takes it away. They want to know if it is going to be helpful because they know that the programs that are in place now are not working for them, programs such as CAIS and this new Conservative Canadian farm families options program.

Let me read into the record something that one of my farm constituents said about the Canadian farm families options program:

This program is one of the most useless programs announced by any Government. This is another example of our taxpayers' dollars being wasted which will eventually be eaten up by administration. Announcing programs such as this one misleads the general public. What is quite upsetting is that the individuals who develop these programs are also taxpayers. Receiving these letters just reminded us once again that another program will not help the farmers of the country - the backbone of society which is quickly becoming very brittle.

This same farmer and his neighbours said to Alex Atamanenko, our agriculture critic, yesterday in Sault Ste. Marie and Algoma that this program was not going to work. The only programs that work for farmers, that have been proven over time to work for farmers, are vehicles like the Wheat Board and supply management, so let us keep them.

Let us protect our farmers. Let us stand shoulder to shoulder with our farmers as they take on the countries out there that have subsidized their industry to the hilt, to a point where our farmers just cannot compete anymore.

They want the Wheat Board. They want supply management. They want the government, our government, all governments to stand shoulder to shoulder with them as they put in the work that they do every day, and the investments that they make into their farms to make a go of it. The family farm in this country is a thing of the past if we do not stand up right now and defend the vehicles that are actually working for farmers and protecting their industry.

They see governments, the previous government and this government, going to international trade discussions and entering into agreements that are selling out, little by little, the vehicles that we in Canada, the farmers in Canada in partnership with some governments, have worked so hard to put in place. These are the vehicles that farmers themselves say will protect them. In fact, these vehicles, through the very difficult BSE experience that we just had in this country, have protected a number of farms that in fact have supply management agreements in place.

The other farmers out there that are on their own are trying to make it on their own. They are trying to participate in the free market that the government wants to impose upon them and they are finding it more and more difficult. They are walking away from their farms. They are going into bankruptcy. Their kids do not want to take over their farms because there is no money to be made in farming anymore where the family farm is concerned. They are saying to me, they are saying to my colleague from Winnipeg Centre, and they are saying to our critic for agriculture, Alex Atamanenko, that they want the—

● (1845)

The Acting Speaker (Mr. Andrew Scheer): Order, please. I let that slide the first time, but we do not refer to hon. members by their names. We stick to titles or ridings.

Is the hon. member for Sault Ste. Marie finished his remarks?

Resuming debate, the hon. member for Vegreville—Wainwright.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I have been looking forward to speaking to this bill for some time. I would like to thank the members who have just spoken to the bill tonight in the House.

The member for Thunder Bay—Rainy River asked how much Wheat Board grain is grown and shipped in Thunder Bay. The answer is none. It is not even covered under the Wheat Board monopoly.

The Bloc member for Québec asked how much Wheat Board grain is produced in the area where he is from. The answer is zero. The Wheat Board monopoly for some strange reason does not cover that area either.

What about the NDP member for Winnipeg Centre and the member for Sault Ste. Marie? The city of Winnipeg to my knowledge does not produce an awful lot of Wheat Board grain and Sault Ste. Marie is not even covered. It is not even in the Wheat Board area. It is interesting that not one member from the other three political parties represents an area that is covered by this particular legislation we are talking about today.

I want to thank my colleague, the member for Battlefords—Lloydminster, for bringing this bill forward. It is an important bill. I would like to thank him as well for the work he has done as chair of the House of Commons agriculture committee. He has done a lot of good work in that position.

I would also like to thank the member for Cypress Hills—Grasslands who has done an awful lot of good work on the Wheat Board for the Conservative Party and on behalf of farmers. Those two members are trying to help improve the role of western Canadian farmers, and those are the farmers who are actually covered and limited by the Wheat Board monopoly right now.

This bill actually has nothing to do with the Wheat Board monopoly. It has nothing to do with it, yet what have we heard all of the speakers talk about tonight? They say that somehow this is going to kill the Wheat Board and end the monopoly, when in fact it has nothing to do with that. It is important to clarify that.

I want to point out exactly what this bill is intended to do. I would like to remind the hon. members that the intent of Bill C-300 is to allow prairie farmers to market their wheat and barley directly to processing facilities owned by prairie producers. It sounds like a terrible thing to allow. People must think to themselves, "What is he talking about in this bill? I had better reconsider. He is talking about allowing prairie farmers to ship their wheat directly to processing facilities which are owned by prairie farmers themselves. That is a terrible thing". It is amazing that we are standing here talking about this at all.

Private Members' Business

In other words, they would not have to go through the Canadian Wheat Board to sell their wheat back to farmer owned processing facilities. That is what this legislation is about. It seems obvious and logical that it should be supported by every member of the House. I would assume that if members were to listen to what it is actually about, they would in fact change their positions and support the bill.

To speak to the intent of the bill, it widens the marketing choices for farmers and encourages more producers to get into the value added side of the business. We all know that right now farmers could use the boost and really need the boost that would be provided by allowing them easier access to the board grains, wheat and barley, which would be used in processing facilities.

An hon. member: Durum.

Mr. Leon Benoit: That of course includes durum as well. That is what this bill is about. It has nothing to do with the Wheat Board monopoly. This issue should be pretty simple.

I am going to talk about the Wheat Board in a broader way right now. The issue of the Wheat Board and what it should be is a difficult issue. I am the first to acknowledge that. It is an emotional issue. Farmers are split on the issue. It is an ideological debate.

We have to take the ideology out of the debate and bring it back to one fundamental issue. What is best for farmers who grow wheat and barley, which are board grains? That is what we have to turn the discussion to and away from what we have discussed so far.

It is important to look at the history of the Wheat Board. I have heard members erroneously refer to the history of the Wheat Board and how it got started. They have been completely incorrect in what they have said. I want to point out how the Canadian Wheat Board was founded, why it was founded, and how it got its monopoly and that type of thing.

● (1850)

I believe the Wheat Board actually was first established in the 1920s. It was established because farmers would take their grain to their local elevators and the companies in many cases would get together and set a price, but the market was not working. People were using horse-drawn wagons, so it was pretty hard for them to take the grain back home again because the market was unfair. The Wheat Board was created to help deal with this.

There were founding principles of the Wheat Board, carefully thought out and written down. These were the same founding principles that covered the establishment of all the wheat pools and the pools that were established before that and after that. The Canadian Wheat Board was established by farmers to protect farmers, and its main principle was that it be a voluntary organization, that no one would be forced to use it. That is the reality. That is the truth of how the Wheat Board was established.

Where did the monopoly come from? The monopoly was put in place during the Second World War in the early 1940s. Why was the monopoly put in place? It was put in place to allow the Canadian government to get cheap grain from Canadian farmers at well below market value to help with the war effort in Europe.

Was that wrong? It was not wrong the way it was presented to farmers. Everybody had to do their part for the war effort and they did a lot. The farmers were promised they would be compensated after the war for their grain being taken from them by the Wheat Board monopoly, but it never happened. Not only did it not happen, but the monopoly was not removed after the war effort, after the war ended. It was left in place.

Members here talk about a vote on the Wheat Board. Was there a vote when the monopoly was put in place? No. It was done in the cabinet room behind closed doors. There was no vote in the House of Commons. It was put in place and forced upon farmers to get cheap grain for the war effort. Nobody can deny that. That is history. That is the truth.

I only say this so that when we are examining this issue we can do it in an honest fashion, knowing how the monopoly came about and knowing the founding principles of the Wheat Board, the main one being voluntary participation. Again, I want to point out that this is not the same position taken in the member's bill. I would never say that, but I am saying that there is a relevance issue. This certainly is not in the member's bill, but it is an important consideration when we are talking about the whole debate on the Canadian Wheat Board issue.

It really concerns me when I hear the member from Thunder Bay. What is his great concern about maintaining the monopoly? His concern is about protecting the port and the shipping industry in his riding. What about grain farmers? I say fine, he should be standing up for people in his riding, and that is good, but by gosh, let us talk about the Wheat Board issue and keep in mind what is good for farmers.

Then we heard from the member from Quebec. What was important to him? It certainly was not the interests of western Canadian or prairie grain farmers who are covered by the monopoly. It was not that.

Let us go to the members of the NDP. This is ideology for them. It really has nothing to do with what is good for farmers.

So who is looking out for what is good for farmers? Members of the Conservative Party of Canada are. We are the ones who are looking out for what is good for farmers.

What we want to do with the Wheat Board is a difficult thing for all of us to deal with. All the members of the Conservative Party are talking to farmers in our constituencies because we represent those constituencies. We certainly are having that discussion with the farmers in our constituencies and trying to determine the best direction to take to give them more choice in marketing.

What we have said is that two things have to happen. First, western Canadian grain farmers have to be given more choice. Second, whatever is done has to be to the benefit of western Canadian grain farmers. Those are the two really important things when it comes to this debate, not the things that the member for Malpeque or members from other parts of the country want. They have no vested interest in this legislation and their constituents have no vested interest in this legislation. It is not what they want that is important. It is what western Canadian grain farmers want.

I see that I am out of time, Mr. Speaker, which is unfortunate. I have a lot more to say. I will talk about it at another time.

• (1855)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, certainly the House has had a substantial amount of discussion in relation to the Canadian Wheat Board.

The member who just spoke suggested that the member from Thunder Bay somehow was not qualified to speak because Ontario farmers who produce grain are somehow not involved in the Wheat Board. As a parliamentarian, I cannot live in every province, and I certainly cannot say that I have a direct vested interest in my riding on every issue that comes before this place, but as a legislator I have a responsibility to inform myself. When I see information being provided to all hon. members that maybe does not tell the straight story, I have a responsibility to participate as well.

I was the corporate treasurer of the United Co-operatives of Ontario, which had 100 retail outlets in Ontario in an agricultural co-op. We had the grain in the southwest of Ontario and the dairy in the northeast. When the economic situation turned down, the farmers were always the first ones to get hit. When the economy turned around, they were the last ones to recover. That happens in Ontario. It happens in the agricultural community. It happens in the western grain producer community as well.

I also was the Parliamentary Secretary to the Minister of Public Works and Government Services, who at the time also had responsibility for the Canadian Wheat Board and spent over a three year period, a fair bit of time, being briefed on a regular basis on developments with regard to the Canadian Wheat Board.

The member will recall that there was an interesting case when a farmer decided to take his grain down to the United States. Then there was a charge laid and a fine levied. Rather than pay the fine, farmers decided to go to jail instead, as a protest.

So I am not totally ignorant about the agricultural industry or the Wheat Board. I would say, in looking at the bill, that one of the things we should acknowledge is that the Canadian Wheat Board operates like a co-op. It requires the support of its membership. It requires the patronage of its membership to be viable.

In the case of grain producers in the west who have transportation distances much greater than those of producers who are closer to the U.S. border, without the Wheat Board they have no option, because they cannot compete. The Wheat Board is the great equalizer. The member will know this.

What does this bill do? This bill says that the producers are going to be given some options. If they want to sell their grain to someone

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engaged in the processing of grain, that is fine, and by the way, they will not have to pay any fees to the Canadian Wheat Board. This means that by providing these greater options, the Canadian Wheat Board, this co-op that operates in a fairly lean way, is asked to forgo some significant amount of revenue, I would suspect, based on the estimates, that otherwise would have been there if it was handled through the Wheat Board.

If we have a situation where we are going to start to undermine the fine underpinnings of the Canadian Wheat Board, the Canadian Wheat Board dies. That is the reality. That is the concern.

The member also said that the board is a federal monopoly. That is not exactly so. The board of directors of the Canadian Wheat Board actually does have some federal appointees to the board, but the majority of the directors of the Canadian Wheat Board are in fact elected by the member farmers themselves.

• (1900)

Therefore, the decisions of the Canadian Wheat Board are not the decisions of the Government of Canada. They are the decisions of the farmers who utilize the services of the Wheat Board.

This whole discussion in this debate is one aspect of it, but it is very clear now that the Minister of Agriculture has taken a special interest in the Wheat Board and in fact has made certain statements and certain instructions for his officials which I believe ultimately will lead to the demise of the Canadian Wheat Board. Mark my words, this in fact is the beginning of the end of the Canadian Wheat Board if the minority government continues to operate in this fashion, as if it were a majority.

The Canadian Wheat Board must survive. I do not believe that members of the Conservative Party will support the continued operation of the Canadian Wheat Board. I do not believe that they support its principles. In fact, I believe they support the large producers in the southern areas of production who want to make a lot more money by exporting to the United States, but they are prepared to sacrifice some farmers for the benefit of others. This is pitting farmer against farmer. That is the problem. That is what is wrong with this wrong-headed thinking, this ill-advised thinking of the government.

The Canadian Wheat Board has long served the producers in Canada. There have been some good years and there have been some bad years, but the Canadian Wheat Board has provided the safety net and the stability within the grain industry to support those farmers when they needed it. That was the purpose of the Canadian Wheat Board when it was established. It was to ensure that there was a stable marketplace.

Sometimes we have had a situation where there is a massive surplus of grain production. In fact, that has not been the case in recent years. Grain production and the demand have been quite the contrary. So when a member of the government starts saying that Ontario has nothing to do with it, that it is all about the west so let us forget about talking about it, I believe that is nonsense.

Private Members' Business

We are an integrated system. The agricultural interests transcend all of Canadian farmers. If we have a healthy agricultural community in the west, it translates into a healthy agricultural community in other parts of Canada, whether it be in the transportation side or not. Members will also know that 70% of the people who work in the agricultural industry are off farm gate. They do not work on farms. If we start to put in jeopardy the Canadian Wheat Board, which will put in jeopardy Canadian farmers, that is going to cost jobs as well. The members also have not addressed that.

I will say to members that this bill is not inconsequential. It is symptomatic of an ill-advised position that is taken by the Conservative minority government. To somehow suggest that we do not as parliamentarians have the right to speak because we are not farmers ourselves and we do not live in the west is a bad starting point.

Our critic on agriculture has been a champion on behalf of the farmers of Canada regardless of whether it is grain or dairy or otherwise. Farmers need a voice. What they do not need is the divisive voice of the Conservative Party. The unifying voice, the representative voice of the fundamental needs of the farming and agricultural community in Canada, has been represented by the opposition critic for agriculture.

This bill is short, but it does represent in microcosm something that is happening on a larger scale. As I say, I am concerned. I am concerned on behalf of farmers that this is the beginning of dismantling some of the stabilizing influences within the agricultural industry, which will be very bad for farmers in Canada. This is a bad bill. This bill should be defeated at second reading. In principle, I cannot support it.

• (1905)

The Acting Speaker (Mr. Andrew Scheer): There are about three minutes for the speech of the hon. member for Westlock—St. Paul.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, I will not have time to read all my prepared remarks on this topic. I want to put a bit of an Alberta tint on this.

We talk about the oil and gas that we have in Alberta. It is a fact of life that the agriculture industry and the agrarian economy has been the backbone of the Alberta economy for many years. It will continue to be so.

If we do not start giving all farmers in Alberta, Saskatchewan, Manitoba and across western Canada the same as they have in Ontario and in the other parts of eastern Canada, it is going to be very difficult for our agriculture producers in the upcoming years.

I want to address some of the comments that have been made in the past by the member for Mississauga South, the member for Thunder Bay—Rainy River and the member for Malpeque. None of these members are calling for single desk selling for the producers in their areas.

I have never heard the member for Malpeque call for single desk selling for the potato producers in P.E.I. Yet he pretends to care about and know what is best for the producers who live in our ridings in western Canada.

Hon. Wayne Easter: Mr. Speaker, I rise on a point of order. For the information of the member opposite, I called for a Canadian potato commission 15 years ago.

Mr. Brian Storseth: Mr. Speaker, I appreciate the member for Malpeque's interest in my speech.

I was also very interested in the airport tour he did a year or so ago, in which it was proposed to have a bunch of different solutions for agriculture producers, particularly in western Canada. Again, none of those solutions are now in the Liberal policy platform he just unveiled the other day, at least none of the core four solutions that he originally put forward.

I want to ensure I take the time to congratulate the member for Battlefords—Lloydminster in the exemplary work he has done, and the parliamentary secretary from Cypress Hills—Grasslands. They are men of ethics and moral standards. They fought for something in opposition. When they got to this side of the aisle, they continued to fight for the same thing. They did not flip-flop on these issues. They did not decide one day that they were for farmers and what was best for farmers and then the next day decide they would rather choose politics over it.

While the bill may be succinct and small, it is very important for providing the impetus of change and choice that we dramatically need in western Canada. I am proud to stand today and support the bill. I ask all members to take the time, learn a little more about the Wheat Board and support the bill.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, it is a pleasure to rise again today and speak to my private member's bill, Bill C-300.

The purpose of the bill is producer empowerment. "Who gets the final say with my product?"

There has been a lot of talk about the vote. The member from Mississauga talked about how the Canadian Wheat Board was a co-op. It is the only mandatory co-op I have ever heard of in the history of the globe. He talked at great length about how producers should be assured of that.

The member for Sault Ste. Marie said that grain farmers in western Canada had told him in Saskatoon that they were not in trouble because they had the Canadian Wheat Board as a safety net for them. That safety net is full of holes. A lot of farmers are slipping through it. We have a tremendous problem in the grains and oilseeds sector. They are hurting a lot.

I listened to all of this today. I was frustrated and angry. Then I started to think this was the best thing that could possibly happened on the bill. I know the opposition will kill the bill before we get a chance to talk about it in committee, and that is their right to do that. This is a democracy, but I grit my teeth. However, I then started to think.

I am going to get a tape of this sucker and I am going to send it out to every farmer on my database, and there are some 5,000 or 6,000 of them in my riding. They are going to get the biggest laugh of their lives out of this. It shows them who is controlling their livelihoods and how much they understand the pressure that they are putting them under and keeping them under with the Wheat Board, which will not flex like it should.

There is a lot of talk out there that farmers cannot go head to head with the big multinationals. Nobody is expecting them to do that. Nobody is saying the Wheat Board is even doing that.

We look at other examples in the grain sector such as canola, pulse growers, flax and rye. Oats is a great example. When oats were under the board, 50,000 tonnes was our export in a year. Now it is up to 1.3 million tonnes, plus a burgeoning processing sector in western Canada for oats. That is a success story. Cattle, pork and all these issues go head to head with the multinationals and do very well. They are not clamouring for some release from out underneath the marketing system they are held within.

There was some mention of transportation, that we were landlocked so we should not do anything but ship out the raw material. That is the absolute wrong way to go.

The report that the member for Malpeque put forward had a couple of points in it. It talked about producer empowerment to get higher up the food chain. This bill would do that. It would allow them to have the transportation costs become part of the purchase, not part of them. Since the Crow rate was taken away, it is killing us.

The Bloc always tries to tie supply management in this. The member who spoke about this used to sit on the agriculture committee. He should know better than that. I have been talking to people in the supply managed sector, the dairy side, and they say the comparison is apples and walnuts, not just apples and oranges.

This is the biggest difference. The supply managed sector is voluntary. If I decide I want to get into the sector, I buy some quota and I am in business. If I want to grow grain in western Canada, I am under the Wheat Board. I have no choice, none whatsoever. If I decide I want to take some quota in a supply managed sector and start a cheese factory, I can do that. I can do that with the quota I have or I can buy more quota, I can start a cheese factory and I can do what I want with it.

In the west, I cannot do that without going through the punitive buyback. That buyback entails me selling my wheat to the Wheat Board on paper. It charges me a buyback at whatever it says the world price is that day. Then it charges me freight and elevation to tidewater, those ports that I, as a western Canadian farmer, am supposed to subsidize and keep alive all on my own. I cannot stand that burden any more.

That is the big difference between them. One is voluntary and I can value add. The other one is mandatory and I cannot value add with my product without adding on about 30% to 40% to the input costs of that product, which makes it prohibitive. I cannot get a good bottom line. There is no way they are the same type of thing. We can support one and not the other simply because one is not open to any kind of change, or allowing the in or out. Therefore, that argument flies apart.

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The member also quoted section 47.1 of the Canadian Wheat Board Act. What the party left out was the minister can put wheat, barley or whatever is produced in any area in Canada. That means Quebec producers could be under the Canadian Wheat Board, the same as I am. I wish him well with that.

The Ontario wheat producers could be under that same single desk selling. If single desk is the answer and the ultimate control, then why do we have three separate marketing boards for grain products across the county? Why is there not one? Why do we not amalgamate them and everybody can roll around in the same bed. That is probably the answer.

The collectivism ideology of the NDP members will not let them grasp the idea that this is a private property right. I own that product, I will deal with it and market it as I want.

• (1910)

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): It being 7:30 p.m., the time provided for debate has now expired.

The question is on the motion.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Andrew Scheer): Pursuant to Standing Order 93 the division stands deferred until Wednesday, October 25 immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

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

• (1915)

[*English*]

GOVERNMENT PROGRAMS

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, what an engaging debate for Canadians to watch again as the ideologues on the Conservative benches reared their heads to strike a blow on the idea of farmers working together collectively.

Adjournment Proceedings

Governing is about choices and the Conservative government has made a very clear choice to follow in the path of the previous Liberal government. It is offering up to the oil and gas sector, particularly those who are focused in the northern Alberta tar sands around the Fort McMurray area, a little present wrapped with a bow, of \$1.5 billion each and every year. I use the word “little” facetiously because \$1.5 billion is a significant amount for a government to use taxpayers' dollars to subsidize an industry. It is a deal that was made at a time when the industry actually needed some support some many years ago. If we were to ask any person on the street of all the industries in Canada that need help and support in growing, certainly the oil and gas sector, particularly those companies operating in the tar sands, would not be on the list. The profits have been, as one corporate executive in Calgary quipped, “obscene”.

At a time when there is a \$13 billion surplus, the government has chosen to cut a billion dollars from much needed programs for Canadians to help them gain literacy skills, to help women define their rights and freedoms under the Canadian Charter of Rights and Freedoms, to help first nations quit smoking, and to help with court challenges. I do not recall these programs being in the Conservative Party's platform at the time of the last election. Lo and behold when the government is absolutely swimming in taxpayers' money, it can find \$1.5 billion to shuffle over to its friends in the office towers in Calgary but somehow it also sees the need to cut a billion dollars from programs that were serving Canadians well.

The government exacerbated the problem by trotting out one of the most sad and lonesome pieces of legislation, the hot air act. It is a bill that purports to delay and hopes to confuse and confound Canadians about what is going to happen with our environment. It is a bill that does not call for any serious regulations for the greatest polluters in the country for 15 to 20 years. We will not see any result in emissions reduction or pollution reduction in this country until 2050, a year when I despair to say that many hon. members in this House will no longer be with us. The legacy we will leave for the generations to come will be a planet with a climate that has warmed up potentially more than five degrees.

We are already seeing what is taking place in my riding of Skeena—Bulkley Valley in the northwest corner of British Columbia. A pine beetle epidemic has absolutely roared across our province. I will challenge the parliamentary secretary tonight to explain why, in the midst of this challenge and the promise of a billion dollars, which is a significant amount of money to help communities in my region and in other regions across British Columbia to deal with the economic devastation, the government has chosen to take out \$12 million. Nowhere is the promise of a billion dollars to be found.

I am sure that somewhere around this place the government has a Mack truck loaded up with cash and is ready to roll it out just prior to the next election, but communities need the money now. We are on the verge of an economic swing in Skeena—Bulkley Valley. We need the support to help communities acquire the trade skills. Instead the current government continues the legacy of the last government of robbing from the employment insurance fund, of not supplying the training and development that workers need across our region and other parts of Canada to seize those opportunities and make choices.

Jack Mintz, one of the leading economists in this country, was speaking of the income trust fiasco that is taking place across our

land. Companies are devolving themselves into income trusts, thereby avoiding many of the taxes that help pay for the roads and transportation, career and development training, universities, health care and all these things that we try desperately to hold on to as Canadians. As these companies shift into income trusts, according to Mr. Mintz, the \$500 million in taxes that has been lost to the government has now doubled and ballooned up to \$1 billion a year in lost tax revenue.

How can the government pretend that it is making correct choices for Canadians while it is cutting programs and not allowing EI dollars to flow? It is cutting essential needs like the small figure of \$12 million for the pine beetle epidemic but it is still finding the political will to put \$1.5 billion into the oil and gas sector, one of the few sectors in this economy that absolutely does not need the help.

● (1920)

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as all members know, this government just tabled Canada's first clean air act. Canada's clean air act would set in motion Canada's first comprehensive and integrated approach to tackle air pollution and greenhouse gases and, in doing so, deliver better air quality and address climate change.

Past governments relied on voluntary measures, satisfied that industry would comply. Those days are over. From now on, all industry sectors will have mandatory requirements and we will enforce those requirements. Our plan puts the health of Canadians first and the health of our environment first.

Canada's clean air act would amend three existing pieces of legislation to strengthen the Government of Canada's ability to take coordinated action to reduce air emissions nationwide, namely, the Canadian Environmental Protection Act, 1999, also known as CEPA, the Energy Efficiency Act and the Motor Vehicle Fuel Consumption Standards Act.

The notice of intent to develop and implement regulations and other measures to reduce air emissions published in the *Canada Gazette* on Saturday, sets out the government's regulatory agenda. The agenda will cover many industrial sectors, including the oil industry, which will directly contribute to reducing air pollution and greenhouse gases.

The oil sands are important to Canadians and the Canadian economy. Billions are being spent by oil companies in Canada. In addition to the direct royalties paid to the Government of Alberta, billions are being paid in taxes to the federal government which will benefit all Canadians.

Adjournment Proceedings

Oil sands production is expected to triple over the next decade and that will be good for Canada's economy. The oil trapped in the oil sands has elevated Canada to the country with the second largest oil reserve in the world, only behind Saudi Arabia. However, government action is needed to ensure oil sands development takes place in a way that respects the environment, and the government will act.

The approach is much more than just a long term approach. With respect to industrial air emissions, the government has committed to determining its regulatory framework, including setting short term targets by next spring. This is a very ambitious schedule and, therefore, we will be seeking focused advice as soon as possible on the key issues.

Mr. Nathan Cullen: Mr. Speaker, what I cannot find in the hon. parliamentary secretary's answer is how, at a time when there is unmitigated devastation of the forests of British Columbia and a government absolutely swimming in extra tax dollars, the Conservatives found the will to actually pull out \$12 million from a fund that was set up to help the communities transition and to develop the next economy as they fight this pine beetle epidemic.

Why so cynical a move? Why a promise of \$1 billion that are not to be found and yet they are able, in the midst of a clean air act, which has turned into a hot air act, to still promote a \$1.5 billion tax subsidy into a sector that is swimming in its own cash? There is absolutely no call from Canadians to keep subsidizing this sector.

Fort McMurray, Ralph Klein and former Premier Lougheed have all said that the ship should be slowed down because there is no plan. If the communities and the people involved in this sector are saying that we need a plan and some sort of timeline to develop this, why would the government keep subsidizing this while continuing to hurt communities in my region?

Mr. Tom Lukiwski: Mr. Speaker, we have heard this diatribe many times before when the members opposite tried to incorrectly portray this government as a meanspirited government that is cutting millions of dollars away from the most vulnerable in Canadian society.

I would point out to the member, as I have done before, that I did not know that federal cabinet ministers, as an example, were among Canada's most vulnerable and yet we have cut \$47 million by merely reducing the size of cabinet. I would suggest to the hon. member that our expenditure review, which will be saving Canadian taxpayers \$1 billion this year, will result in over \$650 million annually, which we can then use to benefit all Canadians. That is a fiscal performance to be proud of.

[*Translation*]

BANKRUPTCIES

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, I would like to talk about the Bankruptcy and Insolvency Act, the famous Bill C-55, adopted in this House almost a year ago, in November 2005. That bill created a salary protection program for workers in case of bankruptcy.

A long time ago, the Bloc Québécois made a commitment to the unions to propose amendments to the Bankruptcy and Insolvency Act to ensure that the salaries of employees and pension funds would

be the first debts to be paid in the case of the bankruptcy of a business.

The current situation is unsatisfactory. Under the legislation now in effect in our country, an employee who has worked all his or her life for the same company could be left with nothing if the company went bankrupt. In the face of that fact, the Bloc Québécois decided to press the government to correct the flaws in the current legislation and to ensure better protection for workers' salaries.

A year and a half ago, the government of the day tabled a bill in this House, Bill C-55. That bill conformed to the principles of social justice that employees must be paid for the hours they have worked. Workers have nothing but their salary as a source of income. Workers' pension funds are sacred. No one works all his or her life to end up as impoverished as someone who did not work so hard for so long.

As I mentioned previously, Bill C-55 created the wage earner protection program, WEPP. Bill C-55 consisted of two components. The first component, dealt with protection of wages, WEPP. The second component dealt with the revision of the Bankruptcy and Insolvency Act. While the WEPP component was not perfect, there were still real benefits related to that program. For example, workers whose company went bankrupt could apply for employment insurance and be eligible for an allowance of up to \$3,000 of unpaid wages when the employer declared bankruptcy. The payments made under the program were taxable and took into account other applicable contributions. In this way, regardless of the value of the employer's assets, workers could obtain the greater part, if not all, of their unpaid wages.

The Department of Industry estimated that \$3,000 per worker would be enough to cover 97% of all unpaid wage claims. The government also estimated that this would cost the Treasury \$32 million a year or, in very bad years, \$50 million. Meanwhile, the government is running \$13 billion surpluses.

I think that the Bloc Québécois disagreed with some aspects of the bill but voted in favour of it because it seemed to be a great improvement on the current situation.

The purpose of this adjournment debate is to ask the minister what he is doing. I asked him this question last June in the House and he said that there were some problems with Bill C-55 and it could not be implemented right away. He said, though, that he would take care of everything and would soon have more to tell us. Unfortunately, nothing came of this because it is now October and still there is no news about this bill.

Basically, I want to know two things. First, what parts and clauses of the bill are causing problems? I would also like to know when the minister expects to introduce it again in the House, return to it or just enact it.

Adjournment Proceedings

I would also like to suggest to the minister that if it is the bankruptcy part that is causing a problem, he just needs to enact the wage earner protection program.

• (1925)

[*English*]

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as members know, Bill C-55, containing the Wage Earner Protection Program Act, was proposed and passed into law with the unanimous support of all political parties in the House of Commons and the Senate. Bill C-55 also includes a comprehensive reform of Canada's insolvency laws, including the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act. As such, Bill C-55 provided a balanced and complete package of reforms on bankruptcy.

In particular, the wage earner protection program has strong support from parliamentarians, labour unions, the insolvency community and employers. This program should be brought into force as soon as possible. The current insolvency system does not provide adequate protection for unpaid wage earners. An estimated 10,000 to 20,000 workers a year are left with unpaid wage claims due to employer bankruptcies. That is why the wage earner protection program was proposed. The program will improve the protection of workers during the insolvency process.

The protection of unpaid wage earners has been a major issue during every attempt at insolvency reform over the past 30 years and the issue has never been resolved.

The wage earner protection program will address this issue by providing certain payments of up to \$3,000 to workers for unpaid wages and earned but unused vacation pay, so that payment of wages will no longer depend on the amount of assets of the bankrupt employer. It is estimated that this will satisfy 97% of unpaid wage claims in full. In addition, the wage earner protection program will provide prompt payment of wages so that workers receive payment of their wage claims when they need it most.

We cannot deny the importance of implementing this program in a timely fashion. However, before the Wage Earner Protection

Program Act can come into force, some technical amendments have to be made to ensure that the program will be effective. The regulations necessary to operate the act must be prepared and considerable work needs to be done before implementation.

We do not have to convince Canadians that it is important to protect vulnerable workers who suffer an economic setback through no fault of their own. We do not have to convince Canadians that it is the right thing to do.

This government also understands that protecting Canadian workers when employers declare bankruptcy is the right thing to do.

• (1930)

[*Translation*]

Mrs. Carole Lavallée: Mr. Speaker, I am very pleased to hear that the government wants to implement a bill to protect the wages of workers in case of bankruptcy. That is the good news I heard, and I am making a note of it.

I was very disappointed, though, to hear the parliamentary secretary say that he wants this legislation to take effect as soon as possible but is not setting a date or deadline today. I would like to know the schedule, but most of all, I would like to know whether it is the part dealing with overhaul of the bankruptcy provisions that is causing a problem or the wage earner program. Is he thinking of separating these two parts?

[*English*]

Mr. Tom Lukiwski: Mr. Speaker, as I mentioned to the hon. member in my presentation earlier, the technical amendments have to be made to ensure that this program will be effective.

Although I cannot give an exact timeline, I can assure the member that this government hopes to be able to table amending legislation very shortly.

The Acting Speaker (Mr. Andrew Scheer): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:32 p.m.)

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