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OFFICIAL REPORT
(HANSARD)

Monday, October 4, 2010

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, October 4, 2010

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

OLDER WORKERS

Mr. Peter Goldring (Edmonton East, CPC) moved:

That, in the opinion of the House, the government should continue to recognize the vital role of older workers in the Canadian economy and ensure its labour market programs and policies encourage older workers to contribute their skills and experience in the Canadian workforce.

He said: Mr. Speaker, I am pleased to have the opportunity to debate Motion No. 515, which reads:

That, in the opinion of the House, the government should continue to recognize the vital role of older workers in the Canadian economy and ensure its labour market programs and policies encourage older workers to contribute their skills and experience in the Canadian workforce.

It should be apparent that I have much interest in this subject.

Our government recognizes that potential older workers bring to the workforce their knowledge base and the invaluable capacity for mentoring that experienced workers provide our country. My motion speaks to the Conservative government's focus on providing appropriate labour market programs and policies so older workers can continue contributing their skills and experience.

I am one of those who is considered an older worker over the age of 55 and, indeed, just slightly over the age of 65. I note that many in the House would fall under the same category. We play a vital role in the House, bringing experience and wisdom to the deliberations and, as older workers are valued here, so, too, should they be valued throughout our great nation.

Canada has been through a difficult period. However, with the prudent economic leadership of our Conservative government, we fared better than most countries through the global recession. While a forceful stimulus helped to reverse the decline last year, we will be judged, as our Prime Minister said, by our capacity to lead the world through recovery and beyond.

The experience, knowledge and talents of older workers are key factors in this recovery and Canada's continuing competitiveness.

Given our demographic challenges and a slower growth in our workforce, Canada needs all workers active and contributing in the coming years. Given that Canadians are living longer and healthier lives than in the past, more and more workers are choosing to extend their careers beyond the once normal retirement age of 65. For some, it is a financial necessity, but others enjoy their careers, want to continue in them or explore new and more interesting occupational endeavours. Mandatory retirement, for the most part, is a thing of the past as older workers in good health want to continue contributing to society.

For older workers who do not want to retire and are healthy enough to continue working to say 70 or 75, as do members of the other place and some members of Parliament, why not? Why not utilize their wealth of knowledge, skills and enterprise? What if all Canadians took early retirement, expecting the government to support them?

I certainly have no objection to those choosing and seeking early retirement but I do object to those who have a sense entitlement, who believe they should stop contributing and let the government support them. That certainly is where, philosophically, we as Conservatives differ from the Liberals. Some Liberals even want to lower the old age security rules to allow immigrants to qualify after residing in Canada for only three years. Three years of residency to qualify for a lifetime pension is rather unbelievable.

We want to encourage older people to be engaged in worthwhile endeavours of their own choosing.

In 1900, just over a century ago, Canadian men had a life expectancy of 47, while women could expect to live just three years longer. When the first old age pension was introduced by the federal government in 1927, payment began at the age of 70. Most Canadians would not live long enough to collect that pension as the average life expectancy then was 59 years for men and 62 for women.

When the Canada pension plan was introduced in 1965, age 65 was the start date for benefits. However, it was common for workers to continue in the workforce until age 70, when they qualified for the old age security pension. The starting date for that pension was reduced to age 65 during the period of 1965 to 1969. By 1965, the average life expectancy had risen to 69 years for men and 75 years for women. That is a 10 year increase for men from 1927.

Private Members' Business

Today, Canadians expect to live about 30 years longer on average than we did a century ago; 78 years for men and 83 years for women. That is another reason that Canadians are choosing to work longer. They know they can continue to contribute and still have time for a well-earned retirement and leisure period when they are a little older.

In just 33 years, from 1976 to 2009, the number of workers aged 55 and over has increased from one million to three million and, as the baby boom generation grows older, I would expect that number to continue to grow.

Our government has seen the demographic changes in Canada and has responded accordingly. We now have a Minister of State for Seniors who is tasked with supporting our aging population, whether it be on combatting the ever-increasing scourge of elder abuse or support for volunteering through initiatives such as the new horizons for seniors program.

When we look at the broad labour market, older workers are doing quite well. So far this year, employment has grown by 1.1% for older workers compared to 0.3% for prime aged workers. Clearly, older workers are valued in the labour market. Their wisdom and maturity are a benefit for their employers. They, in fact, can be very resilient during recessionary times.

Of course, the growth in the number of older workers is not true for all sectors. Older workers in forestry, for example, have experienced some difficulty and have needed assistance to retrain for other available employment opportunities. Seasonal workers in some industries in certain communities have had special challenges.

However, our Conservative government has met these challenges head on. Canada's workforce is known throughout the world as resilient. We have one of the highest participation rates in the Organisation for Economic Co-operation and Development.

We need to be inclusive in our labour market. The long-term benefits of releasing the economic potential of older workers and other groups, such as persons with disabilities, are enormous.

While our government has been attentive to the needs of Canadian workers who have experienced unemployment during the recent recession, we have also kept our eyes open for chances to develop skills for the future.

I will summarize some of the program measures and initiatives our Conservative government is offering.

We have increased funding for targeted initiatives for older workers to assist unemployed older workers in vulnerable communities to retrain. It is a five year, \$220 million cost-shared initiative with provincial and territorial governments. The goal is to help unemployed older workers in communities affected by significant downsizing, closures or ongoing high employment by preparing them for new and immediate employment. This funding includes \$60 million under Canada's economic action plan.

More than 10,000 unemployed older workers have been assisted through more than 200 projects that have been approved to date. This is concrete help that is good for the workers as individuals and good for Canada as a whole.

For example, a project was approved in Regina, Saskatchewan that helps older workers develop new skills to help them find and keep jobs. This is a joint Saskatchewan-Canada initiative that will help older workers adapt to a changing economy. As the Saskatchewan minister of advanced education, employment and labour, Rob Norris, said:

...older workers represent a large and growing portion of Saskatchewan's population. Their ongoing contribution to our prosperity will be a benefit to everyone.

Participants get résumé writing, interviewing tips, skills upgrading and committed mentors to help them choose their path. For those who are faced with finding new employment for the first time in years, these are crucial skills to be learned. As one participant said, "This has strengthened my belief that I can and will re-enter the workforce".

What I find astonishing is the lack of faith some of my colleagues in the opposition have in older workers. While they say that they support older workers, they have consistently voted against all help for older workers, including the targeted initiative for older workers, which is just one of the measures our Conservative government has put in place to ensure our labour market needs are met and older workers can benefit from the economic recovery.

● (1110)

Under labour market development agreements, older workers can also receive assistance. They are part of the unemployed workforce that is being helped with \$1.95 billion in funding provided to the provinces and territories.

Under these agreements, the workers must be eligible for EI to receive programming to help them get back to work. In Canada's economic plan, funding was increased by \$1 billion over two years. More than 100,000 workers over age 50 participate in these programs each year. For those workers not eligible for EI, we have labour market agreements that help unemployed workers, including older Canadians, return to work.

Again, our Conservative government provides \$3 billion in funding over six years to the provinces and territories to help these workers return to the workplace. In the economic action plan, this funding was increased by \$500 million over two years.

As well, our Conservative government appointed an expert panel on older workers in January 2007. The panel was to examine the long-term issues facing older workers, including any barriers or disincentives to their continued participation in the labour market. The report recommended an employability approach and advocated removing all systemic barriers. My Motion No. 515 is right in line with the report's findings.

Our Conservative government is interested in working with all of the provinces and territories. We recognize there are regional differences in their approach. Our labour market development agreements and labour market agreements are flexible enough to take that into account.

We may at times have different approaches but we stay united on one basic issue: we welcome the chance for older workers to contribute their skills and experience to Canada's labour market. In doing so, they are increasing their prosperity and the prosperity of all of Canada. I would ask members of the House to support this motion.

There has been a philosophical shift in Canadian retirement aspirations. From the idyllic freedom 55 of years gone by come the new realities of potential retirees taking three very important premises into account: health, wealth and constructive occupation of time. Certainly most do not aspire to put up their feet and retire at age 55. Retirement without occupation of time is not freedom. For some it can be drudgery.

Older workers want their contributions recognized for the good value they contribute to society. This motion is for me and for other older workers.

I do hope the House and the good citizens of Edmonton East recognize that I can still contribute to society for as long as I can and that I am welcome to participate and continue. I suppose in a way I speak for all older persons who can contribute and want to continue to contribute to society, to their family's financial well-being and who want to be reminded that there is still true value for this contribution.

• (1115)

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I must take issue with a comment that the member made. He referred to the Liberals supporting changes to the old age security for people who have lived in this country for only three years. That is an outright lie.

We on this side of the House encourage our members to express the feelings of people in their own constituencies. That is a private member's bill and it is not supported by the Liberal Party nor our leader. Clearly, that Conservatives across the country are suggesting that the Liberals support that and we do not.

If there are one million to three million Canadians staying in the workforce, is it possible that they cannot live on the \$12,000 that they would get on OAS and CPP?

The Acting Speaker (Mr. Barry Devolin): Before I go to the hon. member for a response, I would like to remind all members that there are certain terms that we do not use in the House, "lie" being one of those. I anticipate that the member could make her point without using that word.

The hon. member for Edmonton East.

Mr. Peter Goldring: Mr. Speaker, it is worth reminding the House of some of the initiatives the Conservative Party has brought forward in recent times, some of them being extremely well received and certainly indicative of the emphasis the Conservative Party has put on older persons and seniors issues.

Private Members' Business

First and foremost, we created the position of minister of state for seniors. This is to bring the concerns of older Canadians to the cabinet table and to stand on their behalf.

The National Seniors Council was established in 2007 to provide advice to the federal government on matters related to the well-being and quality of life of seniors.

We have also improved government programs in support of seniors. We have allocated \$400 million over 2 years in targeted funding for the construction of housing units for low income seniors through the affordable housing initiative, to be cost-shared with the provinces and territories. We have improved access to EI compassionate care. We have allocated \$220 million over 5 years to the targeted initiative for older workers, which has, thus far, assisted over 10,000 unemployed older workers through over 200 approved projects.

This is only a portion of what we have put forward for seniors.

• (1120)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, certainly older workers have the experience, knowledge and skills and should be encouraged to stay in the workforce as long as possible.

With that in mind, the member obviously has not read his government's 880-page omnibus finance bill, which passed the House recently. In fact, the government is giving incentive for people to stay longer in the workforce, but experts have been quoted in newspaper articles as saying that this incentive is not big enough to make very many people take the option of staying in the workforce.

On the one hand, he wants to have initiatives to keep people working. On the other hand, his government is acting in the opposite direction. Could he comment on that?

Mr. Peter Goldring: Mr. Speaker, I will mention other programs to which the Conservative government has contributed. A more recent one is the new horizons for seniors program. This program offers three types of funding for organizations, including community participation and leadership funding of up to \$25,000 per project. It supports community-based projects across Canada. The projects encourage seniors to continue to play an important role in their communities by helping those in need, providing leadership and sharing their knowledge and skills with others.

There is also capital assistance funding, once again for \$25,000 per project. It helps non-profit organizations that need to upgrade their facilities or equipment used for seniors' programs and activities. It enables seniors to continue to lead active lives by participating in existing programs and activities in their communities.

A third and very important program is the one on elder abuse awareness. This is an insidious aspect of social life today and it is very important that the Conservative government has put forward funding to address the concerns of elder abuse.

Private Members' Business

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am pleased to be here this morning to speak to Motion No. 515, tabled by the member for Edmonton East. Aside from being a statement of general principle, Motion No. 515 speaks to the larger societal question of overall respect for seniors.

My riding of York West is a riding that boasts a tremendous cultural diversity. In travelling throughout the region, I have come to see and understand many of the customs and the beliefs that tend to distinguish each of these unique cultures. For example, in general terms, cultural conditions in many regions of Africa, Italy, Japan and many native Canadian cultures tend to view seniors as an asset, to be cherished. For the most part, seniors with a background from these areas are seen as community elders, as teachers and as a linkage to the lessons of the past.

When I speak with some of my constituents, they are confused by local trends that push seniors out of the workforce before they are ready to leave on their own. To these people, these elders, it sounds almost laughable to think of the implications. Imagine trying to explain the merits of casting out years of training, ingrained institutional knowledge and real-life practical expertise in favour of the novice, the untried and the untested.

Sadly, this tradition of truly honouring our seniors is something that is fading from North American society in general and even faster from the policy directions exhibited by the current government.

While I support Motion No. 515 as it speaks to the idea that older workers can, and should be, permitted to continue to make a contribution to society through employment, I am saddened that a motion like this is even needed.

When I spoke in the House last week, I made mention of the fact that, according to the Canadian Association of Retired Persons, more than 200,000 Canadian seniors currently still lived below the poverty line. They struggle every day to buy food, clothing and the basic essentials of life. More than that, because of the severe financial limitations, many of these seniors are removed from society and from their families. Buying a birthday gift for a grandchild often represents a decision to cut back on groceries. An unexpected miscellaneous household expense means taking on new debt. The thought of a night out with friends at a restaurant or at a movie is nothing more than a dream.

This is the terrible reality that many seniors struggle with every day, living out their retirement years in isolation and in uncertainty. Imagine being one of those 200,000 seniors still below the poverty line. They have worked their entire life, they have raised their family, they have paid their taxes and they have contributed to their community. However, now, when they need a small hand up, their government has no real interest in helping them.

More than 620 days ago, the government said that it would have some consultation on the subject. What did it do? It declared a National Seniors Day. It quite often talks about seniors in their speeches, but when it comes to action, the government does very little of substance.

If members would like to hear of some examples, I would like to cite Nortel as just one. As most members of this place know, the former employees of Nortel are currently fighting to protect their

pension benefits in the wake of their company's financial collapse. Many of these pensioners stand to lose between 30% to 35% of their retirement income, with nothing but the stroke of a pen. After working for their entire life, after contributing to a pension plan and after contributing to Nortel's asset growth, these people are now being told that they are at the end of the line when it comes to distributing the scraps from Nortel's table.

When they looked to their government for help, the Minister of Finance said that pensions were not a matter of federal interest. Since then, the government has softened its rhetoric, but it has still been motionless when it comes to actually offering help and relief.

What the government does not seem to understand is that retail politics might make good for a sound bite, but it does not solve any problems. Partisan politics can easily be condensed onto the back of a brochure, but it does nothing to help those over 200,000 seniors pay their monthly hydro bill. Whether we are talking about elder abuse, or about inadequate pension income or about the former employees of Nortel, action is what is really required, not more words.

Do not misunderstand what I am saying today. The member of Edmonton East deserves credit for Motion No. 515 and I intend to support it, but, after all, it is a lofty and wordy statement of principle. If passed, Motion No. 515 will say that the House of Commons, as a whole, sees the worth and merit of continuing to have seniors in our workforce, but this is a big caveat. If the House is to make a real impact for seniors, we need a government that is interested in more than brochure covers and sound bites.

• (1125)

Recently the government spent more than \$1 billion on two international summits, one in Toronto and one in the riding of an Ontario cabinet minister. More than \$1 billion was spent to build a fake lake and to buy glow sticks and snacks at fancy hotels, and there is more to come. Most of the 200,000 impoverished seniors who I referred to could have thought of something better to spend that money on. Just imagine what \$1 billion would have done to help many of those seniors with groceries.

The government is currently planning to spend another \$16 billion on new stealth jets for the Canadian military. Do we really need them now, at a time when we are heading into some very difficult times in Canada from a financial perspective? Is this the right time and we do have to go forward right now? Could we not buy something more in keeping with operational needs and put some of that money toward old age security pensions or to increase the GIS? These are important decisions that show the real priorities of the current government. Beyond the rhetoric and the sound bites, Canadian seniors deserve much better.

Private Members' Business

In effect, Motion No. 515 says that we want to have proactive and positive government policies on seniors issues. Unfortunately, the party the member belongs to is not inclined to follow the lead from the House. We are each familiar with the vote taken last week on the long form census. Members of the House told the government, in no uncertain terms, that we wanted the long form census questionnaire to be reinstated. However, as always, the government continually disregards the will of this elected House.

Likewise, I continue to expect that the government will ignore the will of this elected House, though I would point out that by ignoring it, sooner or later there will come a time when it can no longer do that. The government was elected with a minority level of support. If it is to legitimately govern for all Canadians, then Parliament must be part of that equation. Perhaps Motion No. 515 will be a catalyst for that change. Maybe it will help the Minister of Finance understand that even some members of his party are growing tired of the stalling, the excuses and the abdication of their moral responsibility to tend to the needs of all Canadians.

I will support Motion No. 515 because it is a good motion. I believe seniors should be able to contribute to society for as long as they wish, but I would never want it to be the case that someone must continue to work into their retirement years just to survive or pay his or her basic expenses.

I believe in retirement and I believe that after a lifetime of working, seniors have a right to retire with dignity. That is part of the reason why I introduced my retirement bill of rights last Friday. Seniors have much to contribute both through employment and volunteerism within our communities. Let us untie their hands and give them real choices.

Despite its efforts to ignore the problem, pension income adequacy and coverage must be a focus for the government in the years ahead. I am hopeful that Motion No. 515 will help to illustrate this point.

I again commend the member for Edmonton East for bringing this matter to the floor. Let us hope the Prime Minister is finally ready to listen.

• (1130)

[*Translation*]

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, the motion that my colleague from Edmonton East has proposed targets workers over the age of 55 and aims to ensure that government policies and programs encourage older workers to remain in the workforce.

This motion is very interesting. It is primarily focused on the targeted initiative for older workers, a program that my Conservative colleagues find attractive because it trains older workers who have lost their jobs and returns them to the workforce as quickly as possible.

Of course, this initiative is useful, but the government is forgetting that age is exactly what makes it difficult for older workers to find a job, especially because they often have less education or simply because there are not many jobs available in their region.

Once again, the Conservatives' lack of compassion is obvious; they are ignoring the socio-economic challenges facing older workers, especially following the 2008 economic crisis and specifically in regions hit by factory closures or closures stemming from the forestry industry crisis.

As the Bloc Québécois critic for seniors' issues, I would like to remind the members that seniors were one of the main interest groups left out of the last Conservative budget. In fact, they were ignored on two fronts.

First, there was nothing in that budget to improve the guaranteed income supplement, which provides assistance for our poorest seniors. In fact, on April 22, I was forced to introduce a new bill, Bill C-516, which we will hopefully be debating very soon in the House.

Second, what does the budget the Conservatives brought down on March 4, 2010, have for older workers? Nothing. Yet for years the Bloc Québécois has been calling on the federal government to bring in a new income support program for workers 55 and over who cannot be retrained and who are victims of massive layoffs.

This program was well known as POWA until 1997, but it was abolished by our Liberal friends, which was not a great idea, I must say. Why do we want a POWA? Because there will always be older workers who cannot retrain, and an income support program is essential for these workers. It is a matter of social justice.

During its 2006 throne speech, this same government committed to creating such a program by adopting a Bloc amendment proposing an income support program for older workers. Since then, it has not taken any concrete action. Nothing has happened.

In October 2006, the Minister of Human Resources announced that the government would pursue the targeted initiative for older workers, known as TIOW, which does not provide for any funds for an income support program for older workers. TIOW projects are designed to improve the employability of participants from 55 to 64 years of age, and may assist them through activities such as prior learning assessment, skills upgrading, and experience in new fields of work.

In the 2007 budget, the Conservative government did not provide any money for the income support program for older workers.

The same goes for the 2008 budget. In that budget, the Conservative government announced that the TIOW would carry through until 2012, and that it would invest \$90 million in the project.

The annual budget of the TIOW is now \$50 million a year until 2012, with additional funding of \$60 million for the 2009 budget.

Once again, this still does not help our older workers who cannot be retrained. To substantiate my comments, I will add that in 2005, the Employment Insurance Commission acknowledged that all training programs for people aged 55 to 65 were inadequate. Yet the Conservative party has done absolutely nothing in that area. It proposed retraining those workers, even though we all know that what is most important to those people who have lost their jobs is to provide them with the income they need to bridge the gap between the end of their employment and the beginning of their old age pension.

Private Members' Business

Furthermore, an expert panel was established in 2007 to examine this whole issue. The panel completed its report in 2008. It proposed a few interesting solutions, which the government chose not to implement.

• (1135)

For instance, it recommended that severance pay not be regarded as earnings for EI purposes. The Bloc considers this recommendation important and believes that this measure should be available to all workers, not just older workers.

The experts also recommended a complete overhaul of the EI system. Do I need to remind the House that the Bloc has been calling for such reforms for years? In fact, there was a vote in the House on October 28, 2009, on motion M-285 moved by my colleague, the hon. member for Bas-Richelieu—Nicolet—Bécancour. The motion proposed the following:

That, in the opinion of the House, the government should as quickly as possible implement a genuine income support program for older workers who lost their job in order to ease their transition from active employment to pension benefits.

The result of the vote: 143 in favour and 137 against. Only the Conservatives voted against this motion. I have given up trying to figure out their reasoning.

Every Conservative party response is based on the same overly simplistic logic: training people and putting them back in the job market will help get the Canadian economy back on track.

What happens if the training provided by a targeted initiative for older workers, or TIOW, project does not lead to a job? Then many older workers will have to go back to square one and divest themselves of their assets and investments in order to survive. Without an income, some will even have to sell their homes in order to access social assistance.

Is that what we want to happen to those who worked for many years to build our society? Certainly not. If they are unable to find another job at the end of their benefit period, older workers will be forced to apply for social assistance, or what is now known as employment assistance. To qualify for employment assistance and receive help, they must first deplete all their assets. This means that if they have more than the equivalent of one month's benefits in their bank account, they will have to wait until they have used up all their savings before receiving assistance.

For example, if someone owns an \$80,000 home or a \$5,000 car, the government will not help them until it has deducted \$20 of monthly benefits for every \$1,000 in assets exceeding the allowable amount. Not only will older workers have to deplete their assets, but they will have to do so at a loss. Being a homeowner will seem like a bad thing.

Nevertheless, we will be supporting this bill. The TIOW can be beneficial but it must be supplemented by other income support measures for those who cannot benefit from it and who are not able to find a job after this training. The motion presented today may be excellent, but it is incomplete. It must be combined with an income support program for older workers who have lost their jobs.

• (1140)

[English]

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am pleased to participate in the debate on Motion No. 515, which states:

That, in the opinion of the House, the government should continue to recognize the vital role of older workers in the Canadian economy and ensure its labour market programs and policies encourage older workers to contribute their skills and experience in the Canadian workforce.

I have no problem with the motion itself. How could I? Recognizing and supporting older workers is not only laudable but absolutely essential. The problem is that the rhetoric of the motion does absolutely nothing to take even a baby step toward that goal. It is as inoffensive as it is ineffective. So let me move beyond the empty words and address what needs to happen if we want to do more than talk the talk.

To walk the talk, we need to have a close look at what is happening to older workers in today's labour market. Let us begin with some facts. In 2004, the Employment Insurance Commission released statistics for 2004-05 indicating that older workers accounted for 21.3% of the long-term unemployed, even though they made up only 12.5% of the active workforce. While that study may be a bit dated, the reality has not changed. In fact, the recent economic downturn has only exacerbated the trend.

Older workers are disproportionately represented among the long-term unemployed. This is especially true in communities like my hometown of Hamilton where the manufacturing sector has been decimated. The same is true in cities right across the industrial heartland. Companies like Stelco, Lakeport, Hamilton Specialty Bar, Multiserv, Siemens and many others were institutions in our community. They were unionized workplaces where seniority mattered and where companies therefore had the benefit of the skills, experience and expertise of their long-tenured workers. But a senior workforce also means that when plants close or downsize, 60% to 70% of the newly unemployed are older workers.

One would think then that successive governments might have assumed some responsibility for addressing the unique issues confronting older workers in Canada, but despite often lauding our incredibly skilled workforce, they did nothing to ensure that these workers would remain a vital force in our economy. To this day we do not have a manufacturing sector strategy in this country. We do not have an auto sector strategy. We do not have a green industry strategy. Instead, we allow foreign companies like U.S. Steel, Xstrata and Vale to buy up Canadian companies without an ounce of a guarantee that they will protect Canadian jobs. It is absolutely disgraceful.

Private Members' Business

Compounding the problem is the fact that the very government that did nothing to protect their jobs in the first place is the same government that is also doing nothing to protect displaced older workers. These unemployed Canadians need to keep working. They need a few more years of income before they can retire. They cannot cash in their retirement savings; that would be cutting off their nose to spite their face. And surely we cannot expect them to sell their homes or take out a new mortgage. These older Canadians have worked hard all their lives. They have played by the rules and now, through no fault of their own, they have become incapable of building a secure future for themselves and their families.

It is time for the government to step up to the plate and offer real assistance to these displaced workers. Unfortunately, instead of setting up effective programs for worker adjustment, the Conservatives have been setting up barriers to re-employment instead. In the limited time available to me here, let me review just a few of them. They really are just the tip of the iceberg.

First, there is a bias toward high skills in today's demand for labour. This is a huge problem for displaced workers, especially those residing in parts of the country where opportunities for re-employment are very limited. As a nation, Canada has never had a culture of workplace-based learning. This must change. If employers actually invested in the continuous updating of skills and education for their workforce, not only would they benefit from increases in productivity and profitability, but our country as a whole would benefit by ensuring that displaced workers would have the skills necessary to participate in the increasingly high-tech economy.

I am not suggesting that the onus for training should fall solely on employers. On the contrary, the government too has an important role to play in promoting lifelong learning. However, instead of taking that role seriously, the government is actually responsible for many of the barriers that undermine skills training. We know for example that 40% of working-age Canadians have limited literacy and numeracy skills and that even these skills atrophy from lack of use in some workplaces. This has had a profoundly negative impact on the re-employment prospects of Canadian workers. Yet, what was the very first thing the Conservatives did when they assumed office in 2006? They slashed funding for literacy programs to the point where it now amounts to a measly \$1 per Canadian. What a disgrace.

● (1145)

By cutting the support for literacy, the Conservatives have cut the legs right out from under older workers, in that literacy and numeracy are the cornerstones of successful skills development and retraining.

Similarly, the government's employment insurance system does little to encourage workers to participate in skills upgrading. On the contrary, it sets up further barriers.

I have spoken in the House many times before about the serious flaws in our EI system, and I will not reiterate them at length here. However I do want to comment on the training piece of it.

All federal training programs in Ontario have now been rolled into the second career program, which is partially funded by the federal government but administered wholly by the province. That is a smart move by the feds.

It allows the Conservatives to duck the heat on a program that is failing workers, by simply blaming the McGuinty Liberals. The problem with that strategy, though, is that laid-off workers are the ones who are paying the price.

Last September, the second career program ran out of money, so workers whose applications were in progress were told that they were out of luck. Through no fault of their own the doors simply slammed shut on them. Then in November the government opened the door just a crack. It announced new tougher eligibility criteria but also advised workers that funding for retraining would have to wait until the new budget year, which did not start until April 1 of this year.

There was no other issue over the past year that generated as many calls to my constituency office as the bureaucratic bungling of the second career program. People who had been approved before September suddenly could not start their programs because the money had run out. Then when the program was restarted, their prior approvals were disallowed because they did not meet the new criteria. So they had to start the process all over again.

However, under the tightened program criteria many then found themselves ineligible for the very program that they had been admitted to just a few weeks earlier. That was six long months during which unemployed workers watched their EI run down without any opportunity to acquire the skills they needed to return to the workforce. So much for the Conservative government's rhetoric that it will "ensure its labour market programs and policies encourage older workers to contribute their skills and experience in the Canadian workforce".

It is little wonder that older Canadians are so overrepresented in the ranks of the unemployed. A couple of decades ago, the government at least offered some assistance for older workers so they could bridge to retirement.

In 1987 the Conservatives introduced the program for older worker adjustment, which gave income support to workers between the ages of 55 and 64 who had lost their jobs as part of a mass layoff. The program was not perfect, but it did allow more than 12,000 displaced older workers with poor re-employment prospects to bridge the gap between layoff and retirement.

Unfortunately the Liberals dismantled that program in 1997, and to this day no better alternative has been put in place. Essentially, the Liberals wrote off older workers as inevitable casualties of structural change in the Canadian economy.

We can and must right that fundamental wrong, but we cannot do it with the motion like the one that is before us today, a motion that is bereft of any concrete proposals.

Private Members' Business

If the Conservatives were serious about doing something for older workers, they would offer them income support instead of platitudes. However as I have said, that proposition assumes that the government really is concerned about the future of older workers, and perhaps even that assumption is overly optimistic.

When I observe the foot-dragging by the government on pension reform, I despair about the future of our country. Despite the fact that the NDP's motion on pension reform passed unanimously in the House as far back as last year, the government still has not implemented a single aspect of it. There is no improvement to the CPP. There is no super-priority that puts workers' pensions ahead of other creditors in cases of commercial bankruptcy. And perhaps worst of all, we still have more than a quarter of a million seniors living in poverty because the government has not raised the GIS to ensure that no recipient would be below the low income cutoff.

That essential piece of reform would cost the government a mere \$700 million. Sadly, the government has chosen its business buddies over the very seniors who built our country. In the last budget the Conservatives spent \$6 billion on tax giveaways for the wealthiest corporations but did not spend a dime on the poorest seniors.

I wish I had more time, but let me conclude by saying once again that if the Conservative government really cared about older workers then it would not have asked the member for Edmonton East to table this motion. It would have tabled and implemented comprehensive legislative reform, and frankly, hard-working Canadians deserve nothing less.

Hon. Diane Ablonczy (Minister of State (Seniors), CPC): Mr. Speaker, I am pleased to rise, as Minister of State for Seniors, in support of Motion No. 515. This excellent motion has been introduced in the House by my hon. colleague from Edmonton East. His motion reads as follows:

That, in the opinion of the House, the government should continue to recognize the vital role of older workers in the Canadian economy and ensure its labour market programs and policies encourage older workers to contribute their skills and experience in the Canadian workforce.

Because Canadians are living longer, healthier lives, many are choosing to remain in the workplace longer. A recent article by Denise Deveau of Postmedia News quoted Tim McCarthy, who was a successful brokerage trader. Now at age 63, he is into his second career, at Home Depot as a flooring expert. McCarthy says:

When you have had a career that required a lot of energy and drive and you stop, you can go downhill. I'm not going to let that happen.... It's important to do something that helps you keep your edge.

Susan Eng of the Canadian Association of Retired Persons finds that people like McCarthy "want to do it, they want to get out, and they want to stay involved".

Deveau's article also quotes Taissa Klaus, who at the age of 60 decided to open a small store as a second career and believes that involvement is the key to staying young.

These older Canadians are an increasingly important segment of our labour force. They have already contributed so much to our economy and possess valuable skills, knowledge and experience. They are also a source of enormous potential and are invaluable mentors to younger generations. This government recognizes the importance of these older workers by ensuring that its labour market

programs and policies do not penalize them for staying in the labour force if they choose to do so.

It is no secret that our population is aging. Currently one in seven Canadians is over the age of 65, but in just two short decades that ratio will jump to one in four. One result is that we are about to enter a period of severe shortages of skilled labour, which will be experienced from coast to coast to coast. A 2007 study on labour force projections indicates that during the last quarter century the Canadian labour force grew by about 226,000 per year, but in just six short years from now, that annual growth will be near zero. That is an enormous change. According to the report:

The labour market shortfall will be enormous.... The absolute size of the total labour force will peak in 8 of the 10 provinces during the period to 2016. The provinces will have difficulty getting the workers that they need.

I can assure the House that our government is aware of this demographic reality. That is why, in 2007, we appointed an expert panel on older workers. The panel produced a report examining both current and long-term issues facing older workers, including the barriers and disincentives to their continued labour market participation. We are pleased to note that the panel confirmed that our government is on the right track.

For example, one of the panel's recommendations was to "minimize work disincentive effects associated with the guaranteed income supplement clawback provisions". So in budget 2008, we acted by increasing the GIS exemption from \$500 to \$3,500. This means more money in the pockets of 1.6 million Canadian seniors, more choice and more flexibility for older Canadians who would like to remain involved in the labour force.

● (1150)

It is more important than ever to encourage and support older workers who wish to remain as active participants in the Canadian labour force. As the expert panel on older workers indicated:

One of the major barriers to engaging them in the labour force was thought to be myths about the need to retire early in order to more fully enjoy life and to make room for the younger generation.

But our population is aging, and older workers are key to Canada's long-term prosperity. They represent a large pool of skilled labour, and many sectors realize that retaining them is essential. That is why we have taken action.

A key component of our government's economic action plan is to create better and increased opportunities for Canadian workers through improved support for skills development and training programs.

We are investing an unprecedented \$8.3 billion in the Canada skills and transition strategy, which includes measures for income support and training.

Private Members' Business

Our economic action plan also provides about \$500 million, or half a billion dollars, over two years for the career transition assistance program, which will benefit up to 20,000 people. It offers extended income benefits to long-tenured workers who are paying for their own long-term training.

These new initiatives are in addition to the increased support we are providing to the provinces and territories for skills training.

Through labour market development agreements, the Government of Canada provides nearly \$2 billion in funding to provinces and territories. These agreements create employment and training programs for the unemployed who are eligible for EI.

In the economic action plan, we increased the funding for labour market development agreements by \$1 billion over two years.

These agreements provide programming to assist unemployed workers, including older workers, who are not eligible for EI, to get back to work.

We have also increased funding for the targeted initiative for older workers, to assist unemployed older workers in vulnerable communities. This is a five-year, \$220 million cost-shared initiative with the provinces and territories.

Also, as the House may know, the Minister of Finance recently announced changes to the Canada pension plan rules to remove penalties on older workers who wish to keep working. This is the kind of action Canadians have asked for, and the government is proud to say that it has delivered this action and will continue to do so.

A 2006 PricewaterhouseCoopers survey indicated that, in the year the first wave of baby boomers would hit 65, "62% of Canadian private companies say the shortage of skilled workers is already slowing the growth of their companies".

Canada's prosperity now and in the future depends on a strong labour force. Our labour force is immeasurably strengthened by the contributions of older workers. Canada's older workers have accumulated the kind of wisdom and experience that we cannot afford to throw away.

Therefore, I urge all members of the House to join me in supporting Motion No. 515.

• (1155)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I want to thank the member for Edmonton East for sponsoring Motion No. 515. I will read the motion:

That, in the opinion of the House, the government should continue to recognize the vital role of older workers in the Canadian economy and to ensure that its labour market programs and policies encourage older workers to contribute their skills and experience in the Canadian workforce.

It has been pointed out by other speakers that older workers are extremely valuable to our economy. They provide knowledge, skills, and experience that the workforce needs. But there are a number of industries in which older workers have to face the possibility of having to be retrained because of technological changes. I think it is incumbent upon the governments, both federal and provincial, to get together and cooperate to retrain these workers and keep them in the workforce.

I mentioned to the member in the question period, in a supportive way, that he should recognize that his government has already taken steps to encourage workers to stay in the workforce longer. The incentive in this last budget was that if they stayed in the workforce for an extra few years they would get a bigger pension than if they took early retirement.

That is fine if that is what the government wants to do, but there are experts out there who have written articles saying that, while it is the government's intention to have workers stay in the workforce longer, the policy is not actually having the desired effect, because it did not offer a large enough incentive for people to stay in the workforce. When they did the calculations, it turned out that there was only a marginal difference between what a worker would collect in early retirement versus what he would collect if he stayed in the workforce for an extra few years.

The member should take that back to his government, to his minister, to his caucus, and perhaps take another look at that issue. After a year or two of experience, the government will recognize that this initiative did not keep people in the workforce and that, to keep them in, it has to increase the benefit.

Older workers have had an increasingly difficult time over the years, especially with the dislocations in the economy and with the jobs that have been lost. When it comes time to rehire, older workers have a much more difficult time finding a job than younger workers. This is a problem that has been around for a long time. It has been recognized by governments, and governments at all levels have made adjustments, as have businesses, to try to keep older workers on the job.

Older workers are a huge resource. They have the training and experience of many years in the workforce. A new worker, somebody fresh out of school, cannot be expected to be up to speed and have the same experience and skill level as a worker who has been on the job for 10 or 20 years, whether it's roofing, plumbing, carpentry, or in any skill out there. The member for Winnipeg Centre will attest to that. A carpenter who has been in the business for 10 or 20 years is probably going to do a better job than people who have just come out of school and are looking to establish themselves.

• (1200)

The Acting Speaker (Mr. Barry Devolin): Order. The time provided for the consideration of private members' business has now expired, and the order has dropped to the bottom of the order of precedence on the order paper. The hon. member for Elmwood—Transcona will have six minutes when the House returns to this matter.

*Government Orders***GOVERNMENT ORDERS***[English]***PROTECTING CHILDREN FROM ONLINE SEXUAL EXPLOITATION ACT**

The House resumed from September 24 consideration of the motion that Bill C-22, An Act respecting the mandatory reporting of Internet child pornography by persons who provide an Internet service, be read the second time and referred to a committee.

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, it is indeed a pleasure to be here today speaking on Bill C-22 and also to be here with my colleagues.

My hope is that we have support in this House from every party. I know that Conservative members of Parliament strongly support this legislation. It is the right thing to do for the protection of our children. It is a new and important piece of legislation.

I do not think there is anyone in this House who would disagree with me that the development of the Internet and the World Wide Web has been incredibly positive for Canadians. It is a wonderful tool. However, as with most things that are good for us, there is a potential for abuse, and this is also true with these new and evolving technologies.

While the Internet has provided us with new and easier ways of doing many things, it has also provided new and easier means for offenders to make, view, and distribute child pornography. This has resulted in a significant increase in the availability and volume of child pornography.

The Internet has contributed to the massive growth of the child pornography industry, which is deemed to be worth more than \$1 billion worldwide. It is estimated that there are over five million different child sexual abuse images on the Internet.

According to the recent report called, "Every image, every child" released by the federal ombudsman for victims of crime, there are over 750,000 pedophiles online at any given time. Tens of thousands of new images or videos are put on the Internet every week, and hundreds of thousands of searches for child sexual abuse images are performed daily.

The continued advancement of Internet technologies makes these crimes not only easier to commit, but also harder to investigate. There is an increasing burden on law enforcement to stay abreast of the changing technologies in order to effectively investigate the crimes.

Child pornography is a particularly serious form of child victimization. Not only are the children abused and exploited through the making of child pornography; they are further exploited each time these images are shared or viewed.

To refer again to the "Every image, every child" report, I was shocked to learn that between 2003 and 2007 the number of online images of serious child abuse increased fourfold, and that these images became more violent and featured younger and younger children. It is disgusting.

According to the federal ombudsman's special report, 39% of individuals who accessed child pornography were viewing images of children between the ages of three and five, and 19% were viewing images of infants under the age of three. These statistics are nothing short of tragic. I am confident that most Canadians are just as appalled as I am, as each of us are, at this information.

Our government is committed to ending the growing problem of sexual exploitation of children. As part of these efforts the Minister of Justice, of whom I am so proud, reintroduced Bill C-22 in this House. Today we also have the chair of the justice committee in the House, the member for Abbotsford. I want to thank him for being here.

The main goal of this legislation is to help Canadian law enforcement officials detect potential child pornography offences on the Internet. Bill C-22 proposes, in precisely the same manner as Bill C-58 did in the last session of Parliament, that the law require those who provide Internet services to the public to do two things.

First, it will require them to report any information or tips they receive regarding websites where child pornography may be available to the public. They will be required to make this report to a designated agency. Second, it will require them to notify the police and safeguard any evidence, if they believe that a child pornography offence has been committed on their Internet service.

● (1205)

Failure to comply with these reporting duties would, in the case of an individual, a sole proprietorship, constitute an offence punishable by graduated fines up to \$1,000 for the first offence, \$5,000 for the second offence, and \$10,000, six months in prison, or both, for the third offence and subsequent offences. In the case of a corporation, the graduated fine would start at \$10,000 maximum, increase to \$50,000 on the second conviction, and to \$100,000 on third and subsequent convictions.

The duties imposed by this bill, in addition to helping reduce the availability of online child pornography, would facilitate the identification and rescue of victims of child pornography and assist law enforcement in identifying the offenders who create, possess, and distribute child pornography.

I would like to make it clear that this legislation was carefully tailored so as to achieve its objectives while minimizing the impact on the privacy of Canadians. Suppliers of Internet services would not be required to send personal subscriber information under this statute. The legislation is also tailored to limit access to child pornography and avoid creating new consumers of this material. Hence, nothing in this legislation would require or authorize a person to seek out child pornography.

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Before I proceed further, I would like to explain to the House who is covered by this legislation. I am sure most members are familiar with the term “Internet service provider”, or ISP. An ISP provides access to the Internet. In essence, it acts as an on-ramp to the Internet. That is the service it provides. An ISP is one example of a provider of Internet services, but the term is broader than that. A provider of Internet services refers to all those who provide an Internet service to the public, including things like electronic mail services such as webmail, Internet content hosting services, and social network sites.

This bill is an example of Canada's commitment to fighting the scourge of child pornography and protecting children from online sexual exploitation. However, the Internet is a complex instrument. We all know that. Our knowledge and understanding of the full impact of the Internet in facilitating the demand for, and distribution of, child pornography is still evolving. The Internet presents a real challenge to the prevention and policing of this material due in part to the relative anonymity of the parties and instant worldwide access by millions of people.

I would be remiss if I did not take this opportunity to recognize the great efforts already made by Canada's major ISPs to address the challenge of online child sexual exploitation. Most ISPs have adopted acceptable use policies, which outline the rules for using an Internet account, the conditions of access privileges, and the consequences of violating these rules and conditions. These policies allow the ISP to terminate accounts in the event of unacceptable online behaviour, and we thank them for that.

I would also like to mention that the Canadian Association of Internet Providers has helped to develop standards for the industry, including an ISP code of conduct, to which many Canadian ISPs adhere. We thank the association for that.

A further initiative that bears mentioning is the Canadian Coalition Against Internet Child Exploitation, which was created in 2003 by some Canadian ISPs and police agencies. The main objective of this body is to assist law enforcement officials in their efforts to address online child pornography.

I would like to speak specifically about one important initiative that has developed from this collaboration between the ISPs and the police. It is called Project Cleanfeed Canada and it aims to reduce accidental access to child sexual abuse images, as well as to discourage those trying to access or distribute child pornography.

• (1210)

To achieve this goal, Cybertip.ca, which is the national tip line for reporting online child sexual exploitation, creates and maintains a regularly updated list of foreign-hosted Internet service providers associated with images of child sex abuse and provides that list to the participating ISPs. The ISP's filters automatically prevent access to addresses on the list by blocking these addresses.

Most of Canada's major ISPs participate in Cleanfeed Canada, which results in 90% of Canadian Internet subscribers being protected. There are continuing efforts to reach the remaining 10% of Canadians.

I am confident that Bill C-22 will be a complement to these existing efforts, especially Cleanfeed Canada, by requiring that all

providers of Internet services report child pornography websites, which can then be added to the Cleanfeed Canada list.

Bill C-22 will also ensure that all providers of Internet services to the public will be held to the same standard of reporting when it comes to online Internet child sexual exploitation. Some may criticize this initiative as having a limited impact on the business practices of providers of Internet services, who already voluntarily report cases of online child pornography, and in fact, it is true that Bill C-22 was drafted in a way that closely mirrors the current practices of Canada's ISPs. However, I would like to reiterate that this legislation applies more broadly and covers more than just the typical ISP. It applies to all providers of Internet services and its impact will be much broader.

I recognize, and I am sure our colleagues do too, that more is needed to combat this disgusting social ill than just strong criminal laws. The government is committed to a broader approach that is effected to protect our children. That is why, in 2008, our government announced a renewed commitment to work with our partners through the national strategy for the protection of children from sexual exploitation on the Internet. This is a successful initiative that has played a very big role over the last few years in helping to make sure that the growing number of young people online stay safe and that we take action to crack down on the sexual predators.

The Government of Canada is investing \$71 million over five years to help ensure that the national strategy remains the success that it is today. With these great investments, our government is further strengthening our ability to combat child sexual exploitation over the Internet through the work of the National Child Exploitation Coordination Centre, which works to reduce the vulnerability of children to Internet-facilitated sexual exploitation by identifying victimized children, by investigating and assisting with the prosecution of sexual offenders, and by strengthening the capacity of municipal, territorial, provincial, federal and international police agencies.

We are also further strengthening the ability of the Canadian Centre for Child Protection to help young people stay safe online through initiatives such as Cybertip.ca, which, as I mentioned earlier, allows the public to report suspected cases of child sexual exploitation they may find online.

Currently, most reporting of child pornography across Canada is done voluntarily. The vast majority of tips come through Cybertip.ca, a 24-hour, seven-day-a-week anonymous tip line for reporting of child sexual exploitation on the Internet. Cybertip.ca provides a valuable function for law enforcement across Canada by screening, prioritizing, and analyzing each and every one of the 700 reports it receives every month. The skilled analysts collect supporting information using various Internet tools and techniques, and if the material is assessed to be potentially illegal, a report is made to the appropriate police services.

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By providing this service of reports and forwarding only the most relevant information to the police agencies, Cybertip.ca saves valuable police time and resources. This allows police to devote their time and efforts to actual investigations rather than to the time-consuming tasks of analyzing all the incoming reports of child pornography.

• (1215)

Cybertip.ca collaborates closely with many of the Canadian ISPs and international partners and it has a memorandum of understanding with most Canadian law enforcement agencies.

As part of the mandate of Cybertip.ca, it also collects statistics regarding online child pornography in Canada. Each month, Cybertip.ca receives 800,000 hits on its website and 700 reports of suspected child abuse images. Between 2002 and 2009, Cybertip.ca had triaged over 33,000 reports, and approximately 45% of those reports were forwarded to law enforcement. It is very effective.

The material that is deemed not to be illegal is often followed up with educational information. Ninety per cent of the reports received by Cybertip.ca relate to child pornography.

As a result of these efforts, at least 30 arrests have been made, approximately 3,000 websites have been shut down, and most important, several children have been removed from abusive environments.

The work of Cybertip.ca is being bolstered by recent efforts of some provincial and territorial governments. We are thankful for that. The Province of Manitoba enacted legislation on mandatory reporting of child pornography in April 2009. Under this law, all members of the public are required to report suspected cases of child pornography to Cybertip.ca. Ontario has enacted similar legislation, but it is not yet in force. Nova Scotia's mandatory reporting legislation came into force just a few months ago, on April 13 of this year. I would like to extend my congratulations to them and to Cybertip.ca for their efforts in this regard.

This government is committed to protecting our children. I hope my fellow members in the House understand just how important this legislation is. I urge every member to support this legislation as we work together to protect our future, which is our children.

• (1220)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the member will know that 87% of the child pornography sites are in five countries of the world, which leaves about 13% from the other 55 countries.

The member should also know that countries such as Sweden and Germany have actually blocked the sites completely.

The current government, while it has taken years to get this bill this far in the House, is proposing to spend another \$42 million having the police chase around after these sites when in fact Sweden and Germany already have the answer: simply block the sites and the problem should be solved.

I would like to ask the member what sort of research the government has done on the Swedish situation and the German situation and report back to us and tell us why we cannot follow the same route.

Mr. Mark Warawa: Mr. Speaker, I want to thank the member for his interest. As he knows, this is very important.

We are working with all our international partners. My speech a moment ago highlighted the importance of Cybertip.ca. It also highlighted the importance and the voluntary participation of Canada's ISPs.

We are getting it done. However, the technology with the Internet changes so quickly and we need to ensure our police departments have the support they need to protect our children. I hope the member supports Bill C-22. I think he does. The bill would go to committee and could move very quickly into the Senate. We would then have legislation that would protect our children. I count on the member's support as we work also with our international partners.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I want to commend my friend from Langley. We used to serve on city council together in Abbotsford. I want to commend him for supporting this very worthwhile legislation that would protect our children going forward.

Despite the comments from the NDP across the way, my colleague knows the Internet really has no boundaries. It is worldwide, and this government is doing everything it possibly can to protect children.

I want to ask my colleague whether he believes the problem of child pornography on the Internet is something that is growing, that it is an increasing threat, or is it something that has been static for a number of years?

Mr. Mark Warawa: Mr. Speaker, my colleague from Abbotsford brings up a very good point. Is the problem growing? Yes, it is.

We have a responsibility to protect our Canadian children and children around the world, and Canada is doing its part.

As I said, we are working with our international partners, we are working with Canadian ISPs, and we are providing the funding to help the police do their work.

The problem is growing. It is expanding, it is evolving, it is changing, and we need to be right on the front line. This government is providing the funding. With this legislation and the funding, we will be effective.

I support the bill and I hope every member of the House does also.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I want to pick up on a comment by my colleague from Elmwood—Transcona. I do not think I got a full and complete answer to his question.

The context of the member's speech talks about the international concept, the international context that this issue is becoming. He puts a great deal of emphasis on that.

However, we also have a couple of examples brought up by my colleague about the blocking of sites, which is really raising the bar when it comes to this sort of prosecution in this particular area.

On the idea of blocking sites with the examples of Sweden and Germany, what has the government done in that regard? Does it feel that this is a possibility once it reaches committee, that it could address that issue, especially through the ISPs?

Government Orders

•(1225)

Mr. Mark Warawa: Mr. Speaker, as the member knows, the bill will be going to committee if there is full support in the House, which I expect there will be.

Canada can create legislation that affects Canadian industry. We work with our international partners and we are being very effective with what we are doing here in Canada. However, the Internet is international. I think the figure I used is that there are over 750,000 pedophiles online at any given time. It is a worldwide problem and our children have access to that.

What we are doing with funding and legislation is to protect children. We also want to thank Cybertip.ca and the Canadian ISPs that are doing their part voluntarily. But this legislation will move it into a broader sphere where it will be required to be reported if there is any evidence that there is sexual exploitation of children going on, on their services. That legislation is needed and I count on every member to support it.

Mr. Jim Maloway: I am very surprised that the member from the Conservative side would not at least agree that the Conservative government would look at following Germany and Sweden to block these sites and would simply skate around the issue and talk about freedom of the Internet, and so on. When we are dealing with an issue such as this, it would seem very reasonable to me that the government would at least come forward and say, yes, if it works in Germany, if it works in Sweden, we will at least take a look at it in committee. I do not know why he would not say that.

My second question for him deals with the penalties. The member reiterated what they are for individuals: \$1,000 for the first offence, \$5,000 for the second, and the maximum of \$10,000 or six months for a third offence. For corporations, we are talking about \$10,000 for the first offence, \$50,000 for the second, and \$100,000 for the third.

The question is, given that these pornographic sites are largely run by criminal enterprises, does the member not agree that a \$100,000 fine is nothing more than the cost of doing business and that these criminal organizations will be happy to pay the fines and keep operating the way they have in the past?

Mr. Mark Warawa: Mr. Speaker, there are a couple of questions there. I thought I did answer his question that we are working with our international partners, but we are creating Canadian legislation for Canada that will be effective for our Canadian children but will have benefits around the world.

Also, a lot has already been done. I mentioned the \$71 million that the government is supporting for the funding of this to protect our children. I hope the member supported that \$71 million.

As to what the committee can do, as we all know, standing committees within Parliament are their own masters and they can decide what they want to do with this legislation. If there are ways of improving it in terms of whether a fine of \$100,000 for a corporation is adequate, we will let the committee decide. Some of us would think it is not enough, but again, that will be for the committee to decide. We trust that the committee members will do a good job, improve the legislation in any way it can be improved, and return it

to the House in a speedy form so that it can go on to the Senate and receive royal assent.

Mr. Ed Fast: Mr. Speaker, referring back to a question from the member for Elmwood—Transcona, he may not have been listening carefully to the speech of my colleague from Langley. He actually said that over 3,000 websites dealing in child pornography had been shut down in Canada. Therefore, we are blocking that.

I thank my colleague from Langley for intervening on this very important issue. The blocking of websites can be a challenge because they have to be identified and they have to ensure they are able to go after those carrying on in that way. Are we having a lot of success with that in Canada relative to the number of sites that are carrying this kind of objectionable material?

•(1230)

Mr. Mark Warawa: Mr. Speaker, the short answer is, absolutely, we are having great success, but we have so much more to do. There is about a 90% success rate but the 10% is still a huge concern. As I said a moment ago, 750,000 pedophiles are online ready to attack and hurt our kids. We need to protect them against this.

There are a lot of people out there and, as a government, as a functioning Parliament, let us protect our children.

[*Translation*]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I am pleased to be participating in the debate regarding Bill C-22.

I will say at the outset that, as my colleague also said during the debate in June, we, the Liberals, support the goal of this bill. We will support this bill so that it can be sent to the Standing Committee on Justice and Human Rights.

I would also like to mention that I will be sharing my time with the hon. member for Davenport.

I would like to talk a little bit about how this bill came to be.

[*English*]

The bill was first introduced in the House of Commons as Bill C-58 in the previous legislative session. When the Prime Minister decided to prorogue Parliament towards the end of 2009, he effectively killed the bill.

When Parliament resumed in March 2010, the government clearly did not see the bill as a high priority because it waited two months before it reintroduced Bill C-58 as what we know as Bill C-22. Then it sat on the order paper for more than a month before the government finally moved second reading. Debate in the House then could have begun in the month of June.

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It is interesting that the government did not place as high a priority on the bill as it should have. This should have been the first bill reintroduced. It should have been the first bill to be moved at second reading. We could have had this bill to committee, possibly out of committee, back for report stage and third reading before we broke for the summer. All of that could have been done expeditiously.

I am happy the government has finally moved second reading on the bill and that debate is now happening. The Liberals will be supporting it.

[*Translation*]

This bill came out of the agreement reached at the meeting of federal, provincial and territorial ministers on the coming into force of reporting requirements for Internet service providers and online service providers with regard to child pornography.

Bill C-22, as I have already mentioned, is identical to the previous bill, Bill C-58. Under current Canadian law, distributing child pornography online is a criminal offence. When there are reasonable grounds to believe that child pornography is accessible through an Internet service provider, a judge can order the ISP to hand over information to the authorities. Judges can also order such content to be removed if the source can be identified.

The purpose of Bill C-22 is to fight child pornography on the Internet by requiring Internet service providers and others responsible for providing Internet related services to report incidents involving child pornography when they are advised of an address that makes such content available to the public or when they have reasonable grounds to believe that the Internet services they are managing are being used to transmit child pornography.

As the Parliamentary Secretary to the Minister of the Environment said, Manitoba passed similar legislation in 2008 and Ontario in December 2008. The United States and Australia passed legislation in 2002 and 2005 respectively imposing such requirements on ISPs. Accordingly, Canada has fallen behind some of its international partners and friends, but the step this government is taking to finally modernize the parts of the Criminal Code that cover the production and distribution of child pornography is a step in the right direction.

As I was saying, the parties all agree when it comes to the need to address the exponential increase of child pornography available online. Statistics Canada indicates that illegal activity related to child pornography increased in Canada from 55 cases in 1998 to 1,408 cases in 2008.

A study conducted by Cybertip.ca revealed that nearly 60 countries were hosting child pornography. Canada hosts 9% of the world's child pornography sites, which is unacceptable. This puts us in third place, after the United States, which hosts 49% of these types of sites, and Russia, which hosts 20%. As many have already said in this House, that is truly unacceptable.

I will not repeat the percentages for pornographic images that involve children. The Parliamentary Secretary to the Minister of the Environment provided this information today, and my fellow member of the Standing Committee on Justice and Human Rights already gave them when he made his speech in June 2010. I will also not bother to speak about the fines. I think that topic will have to be

studied, and we will have to hear from experts to determine whether the amounts of the fines in this bill are appropriate.

● (1235)

Perhaps we should consider increasing the fines that can be imposed.

The NDP member also brought up a point when he indicated that two countries, Germany and I believe Sweden, have implemented legislation to allow the government to block these sites completely. Are such measures possible here? Could the bill be amended to include such measures?

I think that the experts will be able to tell us whether this is possible in Canada, under our legal framework, because we do not have the same constitution as Germany or Sweden. We always want to ensure that our legislation is constitutional. The experts will be able to tell us whether blocking this type of site is possible under our Constitution and our legal and legislative framework.

I would like to speak about one last point before I conclude.

[*English*]

It is very difficult to determine where the images and websites are hosted, but they can be supported from different locations in the world. As such, oftentimes each photo and each site must be individually tracked, something highly difficult to achieve. Bill C-22 would go somewhere toward solving that, but there is more work to be done.

For one website depicting the sexual exploitation of children, Cybertip.ca tracked it for 48 hours, two days, and the site went through 212 different Internet addresses in 16 different countries. ISPs running the networks to which these computers are connected should be able to suspend service to these computers. This is another point at which the justice committee should look. I hope all members will support sending the bill to committee.

● (1240)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I want to welcome the member back to the justice committee. She does good work there. I think we have a collaborative committee that looks forward to dealing with the bill.

I want to refer to a comment made earlier today by the member for Elmwood—Transcona. He suggested that the fines to be imposed against corporations that violated the intent of the bill should be increased. This is not typically what we hear from the NDP. Those members typically oppose tougher sentencing laws, but somehow they have now seen the light, and I am glad to hear that.

Would the member for Notre-Dame-de-Grâce—Lachine support the notion of perhaps even toughening up those fines to ensure that we get compliance and the protection that the bill seeks to improve for children in our society?

Hon. Marlene Jennings: Mr. Speaker, I guess today is be kind and gentle and friendly to opponents. I congratulate the member for his re-election as chair to the Standing Committee on Justice and Human Rights, and I was pleased for that. He has done a very good job as chair. I look forward to working with him and all colleagues from other parties on the justice committee.

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I believe the issue of the level of fines should definitely be examined by justice committee members when and if the bill gets enough support from the House to send it to committee. A second area that should be looked at is whether the idea of blocking sites, as Germany does, is a possibility. If it is, is it something that could be added to the legislation? We know sometimes that we cannot go outside of the scope of the bill in committee, but there are a number of issues that the committee should look at and I look forward to that work.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the fact is that even the government members are indicating that we are losing ground on this issue, that the number of sites is increasing rather than decreasing. The member pointed out that the United States passed legislation similar to this in 2002, which is eight years ago. Yet only one year ago Cybertip.ca said that the U.S. still had 49.2% of all the sites in the world. Clearly this is not working and the government is proposing to throw another \$42 million at the problem, a problem that is increasing.

Therefore, the issue is why do we not look at something that works? Why do we not look at what Germany is doing? Why do we not look at what Sweden is doing? We should not just close our eyes and say that we will fight it the same way the Americans are because clearly it does not work. It is getting worse.

Hon. Marlene Jennings: Yes, Mr. Speaker. I have already stated that I would welcome the House sending Bill C-22 to committee. When the committee looks at the scope of the bill and at the fines that we find as two different ideas, it should also look at what is being done in other countries and what has been successful. The member mentioned the blocking of sites in Germany and Sweden. I do not know whether that could be done in Canada given our Constitution. That would require bringing in experts and I am open to that.

This is such an important issue that we want to ensure we get it right. We also want to ensure we go as far as we can with the technology that we have but respecting our Constitution and our charter.

● (1245)

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am pleased to speak to Bill C-22. I think most of us in the House will agree that this is important legislation and an important tool for law enforcement officers to combat the criminal activities that are taking place by organized criminals who are preying upon our most vulnerable, the children of our society.

As legislators, we have an obligation, both domestically with our domestic law and as signatories to international conventions, such as the Convention on the Rights of the Child, which we signed back in 1989 and which came into effect in 1990, to ensure we are doing everything possible to protect children within our society. This is another piece of legislation that is an important tool to do so.

The issue of child pornography has taken on a new importance in this new computer age. We are moving, as we all know, at rapid speed in terms of the new technology being introduced and we need to ensure that the laws are being constantly updated to meet those challenges that are being posed to us by the new technologies being presented to us in society.

The sheer proliferation of child pornography on the Internet poses enormous challenges as well to the laws of enforcement.

Some statistics show that the U.S. accounts for almost 50% of child pornography host sites; Russia is second with about 20%; and Canada, which is a small country by population, is third and accounts for almost 10%. That is not something we should be very proud of. We, as a country, need to do everything possible to ensure that does not take place here in our country. We need to work with our international partners to ensure there are international conventions and tools in place to ensure, internationally, that there is a ban on the hosting of child pornography sites and that we are working collaboratively to stop this situation.

Law enforcement alone does not possess the resources needed to meet the challenges effectively, although their efforts are commendable, but they need those tools and this bill would do that.

We need to place some of this responsibility to combat this issue with Internet service providers. Internet service providers possess the means to assist in this way and they must be compelled to do so. We have heard in this House today several members mentioning that Germany and Sweden have done an excellent job of doing so. We in Canada can be leaders but we can also learn from our partners about how to provide effective tools to combat this.

It is for that reason that I join with my colleagues in supporting this important bill. It is truly distressing to see the large number of cases of child pornography charges being reported in the media. This, unfortunately, is only a small fraction of child pornography to be found on the Internet. More must be done and this bill is a significant step forward.

My community has been directly touched by the scourge of child pornography. On May 12, 2003, 10-year-old Holly Jones was abducted and murdered. Her killer was caught and confessed. He also confessed to being consumed by images of child pornography leading up to the day he abducted this beautiful innocent child. This is unquestionably a direct link between child pornography that this perpetrator viewed and his decision to take the precious life of this young child, Holly Jones.

In 2008, I introduced a bill entitled Bill C-388, which was designed to penalize those who shared child pornography. It is this kind of approach that must be adopted to give law enforcement agencies the tools they need to challenge effectively child pornography at all levels and on all fronts.

● (1250)

It was estimated in a 2003 study that 20% of all pornography traded over the Internet was child pornography, and we can assume that this number has increased since that study.

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The United States department of justice noted that at any given time there are one million child pornography images on the Internet. Can anyone imagine how many millions of images are being traded on a regular basis daily throughout the world? One million images of innocent children being victimized on the Internet.

In 2008, a review of the national laws across 187 nations showed that 93 countries still had no specific laws dealing with child pornography. This is totally unacceptable, and we in Canada must show leadership by putting in place laws that are effective and enforced. Effective laws and enforcement must be the basis on which we fight this scourge.

The law we are debating today would help us to assist law enforcement agencies by giving them an invaluable tool. Internet service providers must assume some level of responsibility for the information that moves through their systems. This law makes Internet service providers part of the solution to this growing problem.

In fact, clause 4 states:

If a person who provides an Internet service to the public has reasonable grounds to believe that their Internet service is being or has been used to commit a child pornography offence, the person must notify an officer, constable or other person employed for the preservation and maintenance of the public peace of that fact, as soon as feasible and in accordance with the regulations.

Clause 5 goes further to state:

A person who makes a notification under section 4 must preserve all computer data related to the notification that is in their possession or control for 21 days after the day on which the notification is made.

The obligations and duties they must enforce is stated in the law.

I would remind the House that the United Nations Convention on the Rights of the Child requires nations to take the necessary steps needed to combat child pornography. This proposed legislation is clearly a necessary step for us to take in this country.

However, we must remember why we are taking these steps. Children are the victims of child pornography. Innocent lives are devastated by this terrible crime. Psychiatrists speak to the shame and guilt these young victims experience and the profound impact this has on their lives. Most, if they survive, will spend their lives dealing with the fallout of the crimes that have been committed upon them. Their lives are forever diminished and, because of this, any society that does not take effective action is also diminished.

The nature of the Internet lends itself to ever-changing forms of abuse. We are all aware of the recent case in British Columbia where a young girl was assaulted by a group of men at a party. Having had to endure this terrible crime, she also had to deal with the posting of the video of the crime online. This is simply intolerable. The police are to be commended for their quick action in the case but they need help. They need the tools that will strengthen their arsenal for fighting this crime. This bill would ensure in law the responsibility of Internet service providers to be partners in this battle against child pornography.

The scope of this problem is truly astounding. Over the past three years, we have seen charges laid against thousands of people who cross every demography of society. The problem is widespread but there are ways to fight it. One such example is that of Toronto police

detective, Paul Gillespie, who recognized the problem of anonymity on the Internet for those who traded in child pornography. He wrote to many organizations and groups, including Microsoft. The result was Microsoft developing a tool called the child exploitation tracking system that allowed police to track the activities of hundreds of child pornographers at one time. This reduced duplication of work and made enforcement much easier.

● (1255)

It is these kinds of initiatives that show we can effectively meet this challenge and that we are dedicated to finding a solution. It is for these reasons that I am proud to vote in favour of this bill. I encourage all members of the House to support this bill.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the United States has had laws similar to this since 2002 and in the eight years since then, the problem is getting bigger, not smaller. In fact as of 2009, the United States had 49% of the world's sites. The top five countries, that is, the United States, Russia, Canada, Japan and South Korea, have 87% of the sites, with 13% in the other 55 countries. The fact of the matter is that Germany and Sweden are not on the list because they effectively block the sites.

The government is spending even more money. It is putting another \$42 million toward police resources to fight a problem that is getting bigger. I really do not see that as the answer.

The answer comes from looking at best practices. Obviously, the best practices are not in the United States, but in Germany and Sweden. I would ask the member whether he would agree with that analysis and that we should ask the government to look at the practices in those two countries.

Mr. Mario Silva: Mr. Speaker, my hon. colleague has made a valuable point.

This is just one tool, but an important one, for law enforcement officers to deal with this very important and troubling issue. He is absolutely right that we have to look at best practices in countries such as Germany and Sweden that have a better handle on dealing with this issue. As the member noted, their percentage is nowhere near that of Canada's. Canada is number three, which is very troubling.

Maybe we should be looking not just at resources for policing but also at making sure there is legislation in place that takes account of best practices in dealing with this very important issue. As he mentioned, the U.S. may have similar laws but it has not seen the results that Sweden and Germany have seen. We should be looking at those countries' best practices and implementing them in Canada.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windor, Lib.): Mr. Speaker, I want to ask my colleague a question on the record, given the fact that he is sitting next to me, which is why I am bringing it up.

He touched upon one aspect in his speech about how the private sector and major corporations are involved given the fact that we are talking about major ISPs, Internet service providers. Some of them have gone to great lengths to seek out and quash this material and certainly seek out the people putting this material online and to prosecute them as quickly as possible. Could he touch upon that issue?

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The tenor of his speech also illustrated one good point, which is that we tend to be falling behind. How far are we falling back on this issue compared to the international context?

Mr. Mario Silva: Mr. Speaker, my hon. colleague made a valuable point. There is no question that Internet service providers have a major role to play and they cannot escape from their obligations. We have to make sure that law enforcement officers have the tools and that we as parliamentarians provide them with the tools to go after Internet service providers and deal with this issue effectively.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, it is quite possible I may have spoken to this bill in a previous session of Parliament, because it did not move very fast, as we all know, after it was first introduced. I have synthesized my comments down to seven or eight points and I can go through them very quickly.

My party is supporting the bill for passage at second reading, but that should not prevent us from making constructive comments about the bill's form or content.

The first thing I want to mention has to do with the form of the bill, the title of the bill. Certainly the way it is described, an act respecting the mandatory reporting of Internet child pornography, is correct; I do not have a problem with that. However, the government has put forward a bill. It has tried to change the title of the bill a little, because clause 1 says that the short title shall be "Protecting Children from Online Sexual Exploitation Act". When I first read that short title, I thought it must have something to do with people trying to get children to do something their parents would not otherwise want them to do, but really what the bill is dealing with is child pornography, and if that short title is relied on, there is no indication of that in the short title.

The government in its almost Goebbelsian messaging has tried to squeeze this newspeak title into the bill and it does not describe the bill very well. I hope the committee will take a look at that, because this bill will be a stand-alone bill, as I understand it. It is not an amendment to the Criminal Code. It will stand alone and it will forever be cited as that title, so I think at least we ought to get the title right.

The second thing is that the definition part of the bill refers to an Internet service as:

"Internet service" means Internet access, Internet content hosting or electronic mail.

Internet service therefore means electronic mail, and if one goes to the charging section of the bill, it says that "if a person is advised, in the course of providing an Internet service to the public, of an Internet protocol address", et cetera, that simply means that if a person is advised in the course of an electronic mail. That seems to involve almost anyone who uses electronic mail, email. I am not so sure that it was the intention to charge every person who uses email with the burdens of reporting set out in the act.

This is either a criminal or quasi-criminal bill. It is not clear on the face of it whether this is intended to be criminal or quasi-criminal, and the penalties reflect that. That is an issue that will have to be discussed at committee. Who knows if this might render the bill weaker than the government intended.

The third thing is that the wording in the bill in the definition section in parentheses is not part of the bill. This is the first time I can recall, and I have been here 22 years, a bill saying that the wording contained in the bill is not part of the bill, that it is only descriptive. That is what the margin of the bill is for. The margin is for the purpose of providing descriptive or helpful comments on the bill. If the bill is adopted in its current form, we will have a bill on the books where some of the words in the bill are not part of the bill. I think that is bad form. I think it is rather dumb. I am not too sure why we have done it, but it seems to be a departure, and that can be explained at committee.

The next thing I want to say, with reference to my second comment about electronic mail, email, is that the bill purports to criminalize or quasi-criminalize Internet service providers or emailers, those who send or receive email.

● (1300)

Not only would it criminalize them for a specific act or omission, but it would criminalize them for an act or omission involving an email or website where child pornography may be available. It is not where it is available, but where it may be available. It criminalizes a class of people who send email. I am just using the words that are in the bill, but it potentially criminalizes a class of people who send or receive emails involving possible knowledge of child pornography where child pornography may be available. I do not for a moment second-guess the objective of the bill, but I do question that particular process.

One could take from my words perhaps a bit of an implicit understanding about why this is not in the Criminal Code. It is quite possible that wording such as this, a description of a criminal act such as this, would not survive in the Criminal Code where we have very strict tests on precision and such. I am flagging that it is in clause 3.

Clause 4 is essentially placing a burden on other people to snitch on other people. Anyone who has knowledge of somebody else who may have knowledge of such a website is obligated under this statute to snitch, to tell the police, and failure to do so would result in liability.

I do not think we have snitch laws in this country, but we are about to get one now if this bill passes in its current form, in my opinion. I know the committee will want to look at that, or maybe get some witnesses in from East Germany, because I know East Germany had a wonderful array of laws that required citizens to snitch on other citizens. We will take a look at that at committee. I know my colleagues will do a good job of that.

The next point is really a jurisdictional one. If this is not to be criminal law, then it has to be based on another federal jurisdiction as opposed to a provincial jurisdiction. That is not set out in the proposed statute. I would like to have that clarified for the record. If it has not been clarified here in debate, and I do not think it has, I would like to see that clarified by the government at committee. The committee should be scrutinizing the precise federal jurisdiction on which this statute is based.

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The next thing I want to point out is there are two elements added into clause 11, which are good. I am pleased to see that the drafters of the bill are requiring that for anyone to be convicted of an offence, he or she must have knowingly contravened the act. That is a good thing. We would not want to have people convicted for things they did not know about, especially if one is just sending or receiving an email.

There should be some scrutiny given to the question of the term “knowingly”. Does one have to know about the law? Does one have to know about the alleged child pornography, or does one just have to know about the Internet site? What extent of knowing is required? What threshold of knowing is going to be needed before there is actually an act or omission that constitutes the alleged criminality in this case?

The last thing I want to point out is that the government has the ability to make regulations, and maybe that is the real answer here. Because the government is making regulations, it is obviously not criminal law. We would not allow the cabinet, by making a regulation, to make a criminal law. That would be very rare in our history if we ever did.

There is a regulation section that gives the government six separate regulation-making powers. The last one is a red flag for me. It says that the “Governor in Council may make regulations generally for carrying out the purposes and provisions of this act”.

● (1305)

I ask the question that must be answered before the House finally adopts the bill. Could the government, in making a regulation, create a new element of an offence and thereby make that new regulation an offence under this bill? I say no.

However, I have had some 20 years of experience here on the Standing Joint Committee on Scrutiny of Regulations. I have heard this argument in the House and at committee from the Department of Justice, which feels pressed to make an argument that if the government has the ability in the statute to make a regulation generally for the purpose of carrying out the purposes of the bill, then it has the right to make a regulation that would criminalize certain acts. That has happened before. There has been some push back by the House of Commons and it may be in relatively good balance now.

Categorically, I could never accept a bill that would allow the government to make a regulation which would criminalize or quasi-criminalize the conduct of any Canadian resident. We must keep our eye on the scope of this authorization to make more regulations under this statute to carry out the purposes and provisions of this act, which is a stand-alone act and not in the Criminal Code. It must be scrutinized.

We must get an answer to this. I do not want to be in a position to accept any answer except no, the government, the cabinet, would not, could not use this clause on its own, or make a law or regulation that would create a new criminal or quasi-criminal offence that would be imposed on our electors.

● (1310)

The Acting Speaker (Mr. Barry Devolin): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Barry Devolin): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Barry Devolin): I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Justice and Human Rights.

(Motion agreed to, bill read the second time and referred to a committee)

* * *

● (1315)

[*Translation*]

STANDING UP FOR VICTIMS OF WHITE COLLAR CRIME ACT

Hon. Gordon O'Connor (for the Minister of Justice) moved that Bill C-21, An Act to amend the Criminal Code (sentencing for fraud), be read the second time and referred to a committee.

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, I am pleased to speak today to Bill C-21, An Act to amend the Criminal Code (sentencing for fraud). This bill was first introduced as Bill C-52 during the previous parliamentary session.

The bill contains a number of measures to toughen penalties for those who commit fraud.

The bill sends a message to all those who think they can manipulate and mislead Canadians who have entrusted them with their hard-earned savings. Those who commit serious fraud have to suffer serious consequences.

This bill is also designed to improve intervention measures in the justice system with regard to victims of fraud. Serious fraud can have enormous, devastating effects on victims. We have to consider those effects and how to best deal with them.

The measures proposed in the bill will contribute substantially to boosting Canadians' confidence in the ability of the justice system to punish financial crime.

Bill C-52, the previous version of this bill, was well received by everyone. It passed second reading without difficulty and was supported by a number of witnesses at the Standing Committee on Justice and Human Rights. Hearings were held for some time on the proposed amendments to the Criminal Code and the committee heard from witnesses, particularly seniors' advocates and groups representing victims and police.

Perhaps it would be helpful to remind the House of the current state of the law on the issue of fraud. The Criminal Code already addresses all known forms of white collar crime, from security-related frauds—such as insider trading and accounting frauds that overstate the value of securities issued to shareholders and investors—to mass marketing fraud, theft, bribery and forgery, to name a few of the offences that may apply to any given set of facts.

The maximum penalties for fraud are already high. In particular, for fraud with a value over \$5,000, the maximum term of imprisonment is 14 years. It was increased from 10 years to 14 years about five years ago. This is the highest maximum penalty in the code, short of life imprisonment.

Also, aggravating factors for fraud offences, which can be added to the aggravating factors applicable to all offences, are already in place in the Criminal Code. They require the courts to increase the penalty imposed to reflect certain circumstances, for example, if the value of the fraud exceeds \$1 million, if the offence involves a large number of victims or if, in committing the offence, the offender took advantage of the high regard in which he or she was held in the community.

Canadian courts have clearly stated that for large-scale frauds, deterrence and denunciation are the most pressing objectives in the sentencing process. The courts have been clear that a serious penitentiary sentence must be imposed for large-scale fraud. We routinely see sentences in the four to seven year range for large-scale frauds. Most recently, of course, Vincent Lacroix was given a 13-year sentence for the massive security fraud he perpetrated in Quebec just a few years ago.

And of course, we cannot forget the case of Earl Jones, also in Quebec. The major Ponzi scheme he operated for decades in Montreal was uncovered last year and that is one reason the public is so interested in this issue. A few months ago, Earl Jones pleaded guilty; in mid-February, he was sentenced to 11 years in jail for having defrauded his friends and family of \$50 million.

When delivering Mr. Jones' sentence, the judge stated that he had not only robbed the victims of their money, he had robbed them of their freedom and self-esteem. She also said that he is responsible for irrevocable changes in all the victims' lives and that this has left them all humiliated.

The courts are taking these frauds seriously, but this government believes that still more can be done to strengthen provisions in the Criminal Code, and that would allow Parliament to have some influence.

• (1320)

Parliament can send a clear message that it agrees with this trend toward tougher sentencing. One way of sending this message is to introduce a new mandatory minimum penalty of two years for large-scale fraud with a value over \$1 million. Orchestrating and operating a fraud scheme worth more than \$1 million is a serious crime and should carry a minimum two-year prison sentence. However, we know that many frauds cheat Canadians out of significantly more than \$1 million. I have already mentioned the example of Earl Jones, who defrauded his family and friends of more than \$50 million.

Clearly, the two-year mandatory jail term for fraud of at least \$1 million must be considered a floor, not a ceiling. That is already the case, and the government agrees that higher-value fraud will certainly result in even higher sentences. Members will recall that Earl Jones was sentenced to 11 years, which is an appropriate sentence.

The two-year mandatory minimum sentence would not have had an impact in the Jones case because that was an outrageous case of

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fraud. The government wants to send the message that fraud in excess of \$1 million, even though not as great as other cases, must also be treated seriously. Establishing this threshold brings a new perspective to fraud that does not greatly exceed \$1 million.

The bill would add several more aggravating factors, such as: first, if the fraud had a particularly significant impact on the victims, taking into account their personal characteristics such as age, financial situation and health; second, if the fraud was significant in its complexity or duration; third, if the offender failed to comply with applicable licensing rules; and fourth, if the offender tried to conceal or destroy documents which recorded the fraud or the disbursements of the proceeds.

These aggravating factors reflect various aspects of fraud that are deeply troubling. The clearer Parliament can be with the courts about what these factors are, the more accurately sentences will reflect the true culpability of the offender and the serious nature of the crime.

The bill also includes a new sentencing measure to limit the possibility that a person convicted of fraud could have access to or control over another person's assets. This prohibition order can be for any duration the court considers appropriate. Violating a prohibition order will be an offence. This measure will help prevent future crime, which is better than just punishing the guilty party after the fact.

This bill also contains measures that address the specific concerns of victims of fraud. Restitution is defined as the return or restoration of some specific thing to its rightful owner. It can be a stand-alone measure in an offender's sentence or part of a prohibition order or a conditional sentence.

Restitution orders are particularly appropriate in the case of fraud offences. That is why Bill C-21 states that the sentencing judge in a fraud case must consider an order of restitution as part of the overall sentence for the offender. The court must inquire of the Crown if reasonable steps have been taken to provide victims with the opportunity to seek restitution. This step will ensure that sentencing cannot happen without victims having had the opportunity to speak to representatives of the Crown and establish their losses.

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The bill would also amend the Criminal Code to ensure that the effects of fraud on victims have greater bearing on the sentencing. Addressing the needs and concerns of victims of crime has always been a priority for the government. Victims of fraud suffer major consequences, particularly financial, emotional, psychological and social ones. The sentences handed out by a court ruling on a fraud case must reflect the harm caused by the crime.

● (1325)

The bill contains two sets of measures that focus specifically on victims of fraud, one on community impact statements and one on restitution.

In order for the judges to be able to truly measure the terrible impact fraud has had, not only on each victim, but also on the community, the bill proposes amendments to specifically allow community impact statements to be taken into consideration as part of the sentencing hearing.

The current Criminal Code allows the judge to consider previously submitted victim impact statements during the sentencing hearing. The victims prepare a statement that describes the harm done to or loss suffered by them. The statement must be written but can also be read out before the court by the victim during the sentencing hearing. It may also be presented in any other manner that the judge considers appropriate.

In addition to the victim's official statement, the Criminal Code allows the court to consider any evidence concerning the victim when determining the sentence. Judges have given the term "victim" a broad interpretation, so that people other than the direct victim, including communities, can provide victim impact statements. For example, a victim impact statement was made by a synagogue on behalf of all members of the congregation in an arson case. In other cases, first nations bands have made statements describing the impact of a crime on their community.

I think we can all agree that communities, like individuals, feel the effects of crime. The proposals in the bill will make this more fully recognized in the laws.

We are proposing that when a court is determining the sentence for an offender charged with fraud, it should be able to take into consideration a statement by the community that describes the harm done or the loss suffered. The statement must be in writing, must identify the members of the community, must state that the person may speak on behalf of the community and must be shared with both the Crown and the defence.

Jurisprudence has indicated that victim impact statements serve three purposes. First of all, they provide sentencing judges with information on the impact or effect of the offence. Second, they help educate the offender on the consequences of her or his actions, which may have some rehabilitative effect. Third, they provide a sense of catharsis for victims. The provisions in this bill to create a community impact statement for fraud offences share these three purposes.

A community impact statement will allow a community to express publicly and directly to the offender the loss or harm that has been suffered. It will show that the community disapproves of the offender's behaviour. Having the opportunity to describe the impact

of the crime will allow the community to begin a rebuilding and healing process. A community impact statement will also help offenders understand the consequences of their actions, which may help their reintegration process.

I would now like to address the provisions of the bill dealing with restitution.

Restitution is made when the offender pays the victim an amount established by the court. The Criminal Code currently provides for restitution for expenses incurred because of the loss or destruction of property, or damage caused to property, as well as pecuniary damages—in relation to a loss of revenue—for bodily or psychological harm. Furthermore, in the case of bodily harm or threat of bodily harm to someone living with the offender, such as a spouse or child, or other family member, the Criminal Code provides for damages for any reasonable expenses incurred by that person for temporary housing elsewhere.

An order for restitution is established during the sentencing hearing of a convicted offender.

● (1330)

It may consist of a stand-alone measure, or be part of a probation order or conditional sentence. It may only be made when the amount is readily ascertainable, and the offender's ability to pay, although not a determining factor, must be taken into account by the judge. Restitution orders are particularly appropriate in cases of fraud, which often entail significant losses for victims.

Our proposals provide that in cases of fraud the sentencing judge must consider an order of restitution as part of the overall sentence for the offender. The judge must give reasons when such an order is not included. Furthermore, the court shall inquire of the Crown if reasonable steps have been taken to provide victims with the opportunity to seek restitution. This step will ensure that sentencing cannot take place until victims have had an opportunity to speak to the Crown about restitution and establishing their losses.

Our proposals also include the addition to the Criminal Code of an optional form to assist victims in setting out their losses. The losses must be readily ascertainable and victims must provide supporting documents for their claims. The courts may continue to accept other forms of information regarding restitution. The form would not be mandatory. It would simply be available to facilitate the process for victims, the prosecutors and the judges.

Government Orders

These proposals should make restitution for victims a part of all fraud cases. These measures, along with the proposed changes regarding community impact statements, are intended to include the perspective of victims of fraud in the sentencing process in a more exhaustive and efficient manner. In that way, we hope that the proposals will improve the victims' experience and trust in the justice system.

This bill will go a long way toward improving the justice system's current procedures in cases of serious fraud. By creating a mandatory minimum sentence for fraud exceeding \$1 million, by providing additional aggravating factors in sentencing, by creating a discretionary prohibition order with regard to sentencing and requiring consideration of restitution for victims, this bill represents comprehensive measures that take into account how serious fraud offences are to communities and individuals.

For that reason, I urge all hon. members to support this bill. It gives hon. members an opportunity to show their unequivocal support to victims of fraud. Victims of crime deserve respect from this House. I urge all hon. members to support this bill and to send it to the Standing Committee on Justice and Human Rights of which I am a member.

[*English*]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I want to thank the minister for his explanation of the features of Bill C-21. I did want to make an observation, a comment, about the value of \$1 million. I am not sure why the government has picked \$1 million as the threshold. I would like to know how MPs will explain that to their constituents who have been the victims of a fraud, perhaps elderly people living in their ridings who have been victims of a fraud of maybe only \$30,000. To that person, that could be his or her whole life savings and could have as big a psychological effect as a case where bigger frauds are involved.

Also, are we supposed to now ensure that the frauds continue until they hit \$1 million? If we are trying to investigate a ring of fraudsters, do we have to now ensure they get over the \$1 million mark so that they get a minimum two-year sentence?

I would like to ask the minister why the government chose the \$1 million mark in the first place and whether it would reconsider it and perhaps make it a little lower.

• (1335)

[*Translation*]

Mr. Daniel Petit: Mr. Speaker, I thank the NDP member for his question. As I said in my speech, any fraud over \$5,000 is already subject to what we call the maximum penalty, one of the harshest penalties, which is 14 years in prison. The only penalty that is harsher would be a life sentence, as we see in other cases.

In the bill we are proposing, even if the fraud is under \$1 million, all of the aggravating factors of the fraud are taken into consideration. Let us take my colleague's example: a 62-year-old woman is defrauded of \$50,000. This does not fall into the same category as fraud in the amount of \$1 million. However, the aggravating factors are the same. The judge will have to consider the possibility of restitution, the age of the victim and all other factors that caused this person to lose everything. A two-year minimum

sentence is not enough for an outrageous case of fraud, so the judge may hand down a sentence of four or seven years, as we can see in the existing jurisprudence.

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, my Conservative colleague spoke about penalties for the criminal. He spoke about victims. I would like to know what his government plans on doing about tax havens. Everyone knows that fraudsters put all of the money they swindle from young people and everyone into tax havens.

It is all well and good to sentence fraudsters, but what about the money from the tax havens that could be given back to those who were swindled? What do the Conservatives plan on doing about tax havens?

Mr. Daniel Petit: Mr. Speaker, my response to my Bloc colleague is as follows.

She may be referring to recent reports suggesting that some 2,000 Canadians, 1,700 of them Quebecers, maintain Swiss bank accounts in order to evade taxes. How will Revenue Québec recover this money? How will the Canada Revenue Agency recover this money? International agreements—I am not familiar with them all—have been signed. Tax evasion is actually fraud. When a complaint is filed in Canada about a citizen attempting to evade taxes, whether a Quebecer or a Canadian, restitution may come into play. Sometimes, these people have assets in Canada or Quebec that can be seized to compensate the victims of these crimes.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, in the bill, section 380.3 deals with the innovation regarding possible restitution. I wonder whether the member or the originators of the bill had given any thought to the possible difficulty in setting up this restitution mechanism, which actually involves a victim filling out a form, submitting it and requiring the court, if it does not proceed with a restitution mechanism, to give reasons why it is not.

I see in it the possible loss of managerial control by the prosecutor. The victims will say they are going to file a claim and the judge will make a decision. This will be inserted into a criminal process and not a civil process. It is unclear what the role of the prosecutor is.

Has the hon. member given any thought to the complexities that might be there for the court, for the judge, in a situation such as this where there does not appear to be a controlling mechanism?

[*Translation*]

Mr. Daniel Petit: Mr. Speaker, I would first like to thank my colleague who is a fellow member of the Standing Committee on Justice and Human Rights. We work very well together when it comes to fighting white-collar criminals.

Government Orders

I would point out to him that restitution orders already exist. The new element is that victims will have the opportunity to set out or explain their losses. We must not forget that, in some fraud cases, 500 or 600 people have lost money. Thus, they need to be as specific as possible. The judge, as well as the Crown, may use the questionnaire, which will be optional. If it is difficult to quantify the losses, the judge may propose the easiest solution.

What is important is that the judge will be required to state why he or she does not want an order or why there will not be a restitution order. That is the important thing. It is an important change.

● (1340)

[English]

Mr. Jim Maloway: Mr. Speaker, I want to provide a partial answer to the member for Compton—Stanstead, who got no answer from the government when she asked what the government was doing about tax havens. The fact of the matter is that it is not doing anything.

On the very day that the recent stories appeared about the tax moneys being hidden in Switzerland, the government was trying to implement a free trade deal with Panama, which is a famous tax haven with 350,000 companies hiding money there.

In fact, the government is offering a tax amnesty. Two years ago, when one of the employees of a Liechtenstein bank turned over computer records to the German government, the Canadian government found out that there were 100 Canadians storing money in the Liechtenstein bank. What has it done? It has simply allowed people to declare and pay the taxes voluntarily. Basically, it has given them a tax holiday. It has now found another 2,000. The government got the information from a bank employee. That is where the information came from.

The point is that the government is not actively pursuing money in tax havens.

[Translation]

Mr. Daniel Petit: Mr. Speaker, I would say to my colleague that when there is tax evasion there is also fraud, in some cases, or intent to commit fraud. Therefore, the Canadian government has the authority to charge these citizens, in Canada or in the provinces, including the Province of Quebec, with fraud. At that point, they will suffer the consequences of their actions, of the fraud they have committed. If they are involved in fraud of more than \$5,000 or more than \$1 million, they will suffer the consequences set out in the law.

[English]

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I am pleased to rise on this bill today, Bill C-21. I should have thought more clearly this morning when I got up. It seems that every speaker who has risen on this topic is wearing a white collar. I wish I had the good sense of the member for Yukon, who is sporting a lovely burgundy shirt.

I speak as a lawyer, as a member of Parliament, as a Canadian citizen, as a person who has known victims, organizations, and individuals who have been robbed by white collar criminals. White collar crime costs the Canadian economy dearly, and it costs the good, hard-working citizens who fall prey to fraudsters much more than members may know. They are common, everyday occurrences.

Bill C-21 sends the right message. There is no debate here in the House about this : to crack down on white collar crime is the right thing to do, and it sends the right message. This House and we parliamentarians within it are serious about keeping Canadians safe from fraud. That is perhaps where the non-partisan enjoyment and harmony ends. For fraud is not harmless. Nor is it victimless. It disproportionately preys upon the weak in our society and Canadians will not stand for it.

[Translation]

Bill C-21 recognizes the harm that fraud causes to innocent victims. This bill adds aggravating factors to the list of the judge's considerations during sentencing. In addition to the provisions regarding planning crimes and destroying documents, the provisions in this bill allow a judge to consider the personal circumstances of the victims, namely their age, health and financial situation. The bill includes a measure enabling communities to provide victim impact statements that can then be taken into consideration by judges. It is important to leave this to the consideration and discretion of the judges. Impact statements can include a description of how the fraud has devastated the entire community. For example, a church that has had its savings stolen or an after-school program that was defrauded can make its situation known to parishioners or students in the community. These are some of the good things in this bill.

● (1345)

[English]

The bill makes mandatory the consideration of an order for restitution, a chance for victims of fraud to recover some of their lost savings, a chance for reparations to be made. It permits a judge to prohibit offenders from taking any employment or volunteering services in any way that provides them access to, or authority over, the property, money, or financial security of others. In that world, there is no re-victimization by the same perpetrator. These are all good measures.

It is why the bill will go to committee for study. We hope that the committee will improve the bill, for these are good measures that will strengthen the Criminal Code and provide some comfort for the cheated and maligned. But, like many bills in the House, we would not want to leave the Canadian public, or those who have been victimized before by fraudsters, with the impression that the bill will cure all the evils of the past, the present, and the future. It is woefully inadequate in that regard, and it raises some hopes that may not come to fruition.

Government Orders

I have a couple of categories that came up during some of the question and answer sessions. One of these has to do with restitution. It seems like a good step to provide for restitution. There are provisions in the Criminal Code that allow for victim impact statements. There are provisions in various parts of the country being enmeshed in the Criminal Code that give the authority to take over the assets of someone who has performed an economic crime. These things happen. But the provisions in this act do not, as the member for Scarborough—Rouge River mentioned, make it clear whose role it is, who will be driving the prosecution, and whether the prosecution's goal will be getting the wrongdoer to repay the money. It is unclear. We will hear testimony on this; perhaps it is something that can be worked on.

As has also been brought up, there is the continuing and lurking question of tax havens. We live in an Internet age, a digital age, an age where we cannot find addresses. We used to know what an address was. If they did not have an emergency response number on their box, at least we knew it was farmer Joe, next to farmer Bill, next to the fish market, in our case in eastern Canada. But addresses now may be static Internet addresses. They may be people in ether, people who do not really have a place where we can go and knock on their virtual or other door and get the money they have taken from other people. So tax havens follow that digital reality where fraudsters can hide money away, hard-earned money from Canadian citizens that now rests in foreign jurisdictions.

The bill is a step forward. But there is a question that is very much out there: in almost five years, what has the government done, what has this country done, about tax havens, about people who defraud other Canadians of money, packing it away in other jurisdictions from which it cannot be accessed and returned to its rightful owners?

What the bill lacks is a mechanism for prevention. As a country, as a Parliament, as a government, we are all in the same boat with respect to aims. How common is it that we all have the same aim? We want to prevent white-collar crime, prevent fraud perpetrated on the weakest in our society. The churches, the after-school kindergartens, the minor hockey associations, the women's institute groups, the Catholic Women's League, seniors, handicapped people: these groups are defrauded of millions of dollars every year. How can we as a Parliament strike together to prevent this?

There is the penalty phase. But let us be clear: the bill is mostly about the penalty phase. I don't want to strain the analogy, but if we want to stop violence in hockey we might start with the young, the minor groups. We might talk about how it is not the right thing to do. Things are not always effected in the penalty phase. In the criminal justice world, it is the same.

• (1350)

This bill speaks only about the penalty phase of fraud being perpetrated. Are we going to prevent fraud from happening by a shell game of penalties for people who have already socked the money away? In other words, we are going to penalize people from whom we are not likely to get the money.

In this society of ours, we have a hierarchy of offences. It is recognized in the Criminal Code, which sets out crimes against the person, crimes against property, and even crimes against the state. We consider, and rightly so, that crimes against a person are of a

higher magnitude than crimes against property. Crimes against property came from the old west days, when stealing a horse meant stealing someone's livelihood, and if they were stealing someone's livelihood, they were hurting a family. Horse thievery was a very important offence. It is right there in the modern Criminal Code. It came down to us from 1892. It is a very high-ranking offence.

However, people do not go around stealing horses as much anymore. Instead, they go around stealing nest eggs, people's lifelong hard-earned savings, through fraudulent means. How are we to give this offence more importance?

We should look at the whole Criminal Code and consider prevention, as we would with any other crime. How do we stop violent crime? We look at early childhood intervention, the social causes of crime, and the socio-economic milieu in which recidivism is rampant.

How do we get at the prevention of economic crimes? It seems to me that people who commit sophisticated economic crimes through fraud are people who are using electronic and social media as well as means of communication controlled by the Government of Canada through agencies.

Why does the government not come forward with modern methods to prevent the use of regulated tools of fraud? This would go a long way towards stopping fraud from happening in the first place.

The fourth general point in my remarks has to do with something I heard a lot about from this side of the House and in the communities across this country. At one time, I was a mayor, and I know what it is like to have a police force doing important work in a community. Police forces across this country are asking for more resources.

What has the government actually done to help the police? I don't mean on paper, in a speech, or on the five o'clock news. What are the police chiefs saying? What is the Canadian Police Association saying about actual boots on the street? They are saying they do not have enough resources. If we prioritize, however, they will take crimes against the person more seriously than economic crimes against the household income.

With more resources, the police who serve our communities will do more than they can now. The blame for failing to confront the growing elements of fraud lies with the government. After five years of talking about making Canada safe, they have done very little about it. Ask any policeperson who has not been bullied into saying nothing by the threat of withdrawing funds from the local force, city, community, region, or MP.

We are here as opposition members to stand up for good, hard-working policemen across this country who tell us they need more resources to combat fraud. That is what we would like to see.

As to Bill C-21, it has been said many times in this House, and by many members of every party, that there is no greater fraud than a promise not kept. This may sound like just another pithy phrase, but it rings true in the hearts of Canadians, and it has been said many times outside this House.

Statements by Members

This bill is an example of a promise not kept. The promise was not kept because it had a different number, and we were prorogued and sent home. We could not do our work. The bill that was just the same as this one did not see the light of day, because the Conservatives prorogued Parliament and sent us home.

•(1355)

That is a fraud because it is a promise not kept. The Conservatives said that they would do something about fraud and white collar crime and then they pulled the plug on the bathtub of Parliament and we went home. This bill is not law because the House was prorogued and it died on the order paper. That was last year. We are talking about the bill as if it is something new.

Canadians who have fallen victim to fraud since prorogation should look across the way and ask this question. If the bill was not contentious and if the guys on the other side were going to let it go through, why did the government prorogue? Then maybe their aunt or daughter's hockey team would not have been defrauded of all that money because the bill would have been perfected, approved in committee and passed. It would be law now. That is the biggest fraud so far in the speech today. The Conservatives did not keep their promise. They did not do anything about white collar crime.

There are other aspects of the bill that hopefully will be tightened up in committee. However, there is an overriding element to the bill that surely we have debated this long enough and the government must see that it must question the insertion of mandatory minimums in the bill as well. The bill provides nothing for the prevention of crime, as I said, only punishments after the fact.

No jail sentence or restitution can make up for the sense of betrayal and hurt that follows a fraud perpetrated. No jail sentence or restitution can restore the confidence or livelihood of a Canadian cleaned out by someone the victim has grown to trust, a new parent without a nest egg, a dying grandparent without a bequest. Prevention keeps Canadians safe. Nothing is more important to the livelihoods of Canadians and nothing in the bill even gives a hint about it.

On the question of mandatory minimums, it is an experiment that has failed in the United States and will not have an effect on white collar crime in our country. The bill provides for a mandatory minimum sentence for a commission of a fraud over \$1 million.

One of the early criticisms of Bill C-52, the predecessor, and this bill was that it did not hit the financial institutions hard enough. It seemed to be cherry picking over the smaller crimes that were committed on a smaller basis. We all know in our country already, dare I mention Earl Jones in the province of Quebec, that there are large-scale crimes occurring that take people for more than \$1 million either individually or cumulatively. It is not clear to us on this side, and we will see in committee, whether this is cumulative, large enough or why the Department of Justice came up with this amount, but we shall see. We do not want to exclude the larger frauds from a bill that is purported to stop white collar crime.

We will do our best on this side to ensure the bill is wider in scope, more effective and pushes the government to key in on aspects of prevention and tax havens. We on this side, by doing so responsibly, will keep a promise that the people on the other side, known now as

the government, failed to keep, which has been the biggest fraud committed in the area of white collar crime in the last five years.

The Acting Speaker (Mr. Barry Devolin): The member's questions and comments will resume when the House returns to this matter.

Statements by members, the hon. member for Saskatoon—Humboldt.

STATEMENTS BY MEMBERS

•(1400)

[English]

JOHN GEORGE DIEFENBAKER

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, early last month my constituency had the privilege of hosting the Prime Minister when he announced the rejuvenation of the Diefenbaker Centre at the University of Saskatchewan.

The Diefenbaker Centre is a unique institution which celebrates the life and contributions of our 13th prime minister. It is particularly fitting that the rejuvenation be during the 50th anniversary of one of Diefenbaker's proudest achievements, the Bill of Rights. Along with the Bill of Rights, he is well remembered for his other achievements: granting the right to vote to first nations; enacting the Agriculture Rehabilitation and Development Act; and recognizing that Canadian citizenship is unhyphenated by ethnic ancestry.

It is important that we as Canadians remember our history. It is important that we remember our leaders who changed our nation. John George Diefenbaker was a great Canadian and a great parliamentarian. It is a wise investment to carry on his memory and his legacy. It is a legacy that has been forgotten for too many for too long.

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NORM ATKINS

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, parliamentarians were saddened last week to hear of the passing of the Hon. Norm Atkins. Norm was a great friend and mentor to many of us.

Statements by Members

As a student at Acadia University, he excelled at football, which prepared him well for a lifetime of politics and a string of political successes across Canada. He was guided in his life by a respect for politics and a moderate vision of progressive conservatism. He believed in building Canada with less partisanship and more compromise. He was a passionate advocate for post-secondary education. For this passion and his devotion to Acadia University, he was awarded an honorary degree by the university in 2000. He was also co-founder of Diabetes Canada and donations in his memory can be made to the Diabetes Hope Foundation.

To his partner, Mary, his three sons, Peter, Geoff, and Mark, and to his extended family, I extend sincere condolences on behalf of all my colleagues.

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[Translation]

SISTERS IN SPIRIT

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, very special vigils are being held today throughout Quebec and Canada. Sisters in Spirit are coming together for the fifth consecutive year to honour the lives of hundreds of missing and murdered Aboriginal women. No matter where they are from, they all share a similar past marred by violence, both physical and psychological. It is not only the women themselves who suffer, but also their children and those around them.

They are subjected to violence first of all because they are women, and second because they are aboriginal, no matter where they live in Quebec or Canada. For some women and their children, violence is part of their daily lives.

Dozens of vigils are planned today in dozens of cities and towns. Candles will be lit to honour the lives of all our sisters in spirit who have disappeared. On behalf of my Bloc Québécois colleagues, I would like to say this: enough is enough!

* * *

[English]

INFRASTRUCTURE

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I rise with concern over the government's arbitrary March 2011 deadline for project completion under the infrastructure stimulus fund. It is the government's position that consideration will be given to extending municipal projects on a case by case basis in a fair and reasonable way.

That is anything but fair and reasonable. Why do municipalities have to come here on bended knee when they are equal partners? Why the assumption that municipalities are doing something wrong or have made mistakes? The policy ought to be a blanket extension and then look at those projects that there are problems with on a case by case basis.

In my hometown of Hamilton there are 6 of 15 projects, for a total of \$28 million, that are now at risk. It is unacceptable for a federal program to be brought in that is supposed to help municipalities and that program could leave them millions of dollars in debt. It is unacceptable, unfair and unreasonable.

MENTAL ILLNESS AWARENESS WEEK

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I rise today to draw attention to Mental Illness Awareness Week. This week provides us all an opportunity to better understand mental illness and that recovery is possible.

Nearly one in five Canadians is affected by mental illness, yet a continued stigma prevents millions from receiving the assistance they need. The continuing theme of Mental Illness Awareness Week, face mental illness, is designed to change that. Today people suffering from mental illness should not be burdened by negative stigmas from the general population and health care professionals.

We know that the earlier people get help, the better the outcome. That is why our government has made mental health awareness a priority and has worked hard to shed light on such an important issue that impacts our families, our colleagues, our neighbours and our country.

Tonight I have the honour of speaking at the eighth annual Champions of Mental Health Awards, where individuals are recognized for their tireless efforts to provide hope and relief to those who suffer from mental illnesses.

We congratulate and thank all the champions of mental health awareness.

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● (1405)

MENTAL ILLNESS AWARENESS WEEK

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, this week is Mental Illness Awareness Week. Millions of Canadians suffer with mental health issues. On top of that, they must also deal with the stigma associated with mental health. Nearly six million Canadians are likely to experience some mental illness in their lifetime.

About 4,000 Canadians commit suicide each year and it is the most common cause of death for youth aged 15 to 24. Some communities in rural and remote areas of Canada have rates of suicide and addiction that are among the highest worldwide; many of these are aboriginal and Inuit communities.

There are significant gaps in service. Two-thirds of homeless people using urban shelters suffer from some form of mental illness. By 2020, it is estimated that depressive illnesses will become the second leading cause of disease burden worldwide and the leading cause in developed countries like Canada.

Statements by Members

The economic and human costs of mental illness are mounting, yet less than 4% of medical research funding goes to mental illness research. We need to do more and we need to do it sooner.

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BRANTFORD RED SOX

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, Brantford celebrates and baseball reigns supreme after the hometown Red Sox captured their third consecutive Intercounty Baseball League Championship.

Red Sox owner and president, Paul Aucoin, has built a powerhouse team and first-class organization: on the field, “The Boys of Summer”, Forman, Cho, McCurdy, Delfino, Meyers and their teammates; off the field, Hannam, Tolhurst, Munro and an army of dedicated volunteers; and in the stands, loyal, cheering fans, including Mary Lowes, hanging on every pitch, every hit and every stolen base. This is the portrait of a wonderful summer night under the lights at Arnold Anderson Stadium.

Today, we salute Paul, the Red Sox and the rich tradition of baseball in Brantford. Go Sox go.

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[*Translation*]

FORESTRY INDUSTRY

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, the forestry crisis continues to hit hard in my region. With the closure of the paper mill in Dolbeau-Mistassini, a number of sawmills, including those in Saint-Fulgence and Petit-Saguenay, may have to close their doors for good.

Unfortunately, the workers and the forestry communities are the ones who have to pay the price for the Conservative government's inaction. Despite our repeated calls for help, the Conservatives have unfairly refused to implement adequate measures to help the forestry industry, preferring instead to gladly subsidize Ontario's automobile industry and its workers. The minister from Roberval—Lac-Saint-Jean got elected on a promise to resolve the forestry crisis and his inaction is having disastrous consequences in Saguenay-Lac-Saint-Jean.

Enough with the rhetoric. This government must try, once and for all, to help the forestry industry and its workers.

* * *

[*English*]

SISTERS IN SPIRIT

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, the Sisters in Spirit vigils commemorate missing and murdered aboriginal women, women from all walks of life and from all across Canada.

The Government of Canada is committed to ensuring that all women in Canada, including aboriginal women, are safe and secure, regardless of the community in which they live. Ending this type of violence and bringing to justice those who have committed crimes is a shared responsibility of all levels of government.

This is a serious matter, which affects a far greater number than the women who have gone missing and their families. We must all take steps to ensure that aboriginal women, and indeed all women, are better protected from violence in its many forms.

Our government will continue to work in partnership with provincial and territorial governments, aboriginal people and other stakeholders to develop more effective and appropriate solutions to this pressing matter.

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SISTERS IN SPIRIT

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, today Canadians are gathering across the country, including on Parliament Hill, to mark the annual Sisters in Spirit vigil. Violence against women is a tragedy and all Canadians must unite and vigilantly combat it in all its forms.

Today, we honour the hundreds of aboriginal women who have been murdered or who have gone missing. We will take up the torch in committing ourselves to combatting the violence that they were forced to face alone.

Together we are united as Canadians with our aboriginal sisters in saying that their struggles are ours. Their right to live free from violence is a responsibility we all must work to guarantee.

I salute the Native Women's Association of Canada and all of its partner organizations today for ensuring, through these vigils, that these women and their struggle are never forgotten.

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● (1410)

[*Translation*]

AEROSPACE INDUSTRY

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, this morning, the Minister of Industry was at the Montreal-Mirabel international airport to announce the opening of Pratt & Whitney Canada's new flight test facilities. We are not surprised that Pratt & Whitney chose to invest in Quebec.

These flight test facilities will solidify Quebec's role as an international crossroads in the aerospace sector in terms of innovation and excellence. Quebec has the necessary talent and know-how to make its aerospace sector a world class leader.

This centre will make Mirabel a true platform for future activities within the aerospace industry. Our government is contributing to the development of this technological cluster in Quebec by setting the stage for long-term prosperity for Canadian aerospace companies within the global economy. This will benefit our aerospace industry, Quebec workers and their families, and all Canadians.

Statements by Members

[English]

MENTAL ILLNESS AWARENESS WEEK

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I am pleased to rise today in support of Mental Illness Awareness Week happening right now across Canada.

Established almost 20 years ago, this week is an opportunity to draw attention to the struggles and achievements of those living with mental illness, a group that includes more than one out of every five Canadians. It is also an opportunity to join the growing call for the government to show real leadership in tackling an issue whose mismanagement has cost the Canadian economy more than \$14 billion a year.

In 2003, health organizations across Canada signed onto a call for a national action plan on mental health. That was almost eight years ago and we still have woefully little to show for it.

So, during this Mental Illness Awareness Week, I would call on the government to demonstrate the commitment and dedication that Canadians with mental illness, their doctors and their families deserve, and craft a comprehensive and effective mental illness action plan.

* * *

THE ECONOMY

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, today, the Minister of Industry and the Minister of Natural Resources joined with Quebec to celebrate the opening of Pratt & Whitney's new global flight test facility at Mirabel. This announcement was made possible because this government has implemented the policies necessary to attract investment and create jobs right across this great country.

As a result of this government's efforts, Canada has the strongest fiscal position in the G7, is on track to having the lowest corporate income tax rate in the G7 by 2012, and the fastest economic growth in the G7 in 2010.

The benefits of our economic plan are being realized right now, today, in Mirabel, Quebec where this new plant will employ 250 people at peak production.

Our government remains committed to creating jobs right across Canada. Pratt & Whitney's new facility is just one more example of how we are getting the job done for Canadians.

* * *

[Translation]

FIREARMS REGISTRY

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, the House recently voted 153 to 151 to maintain the firearms registry. What can we learn from this apparently close vote?

Of that majority of 153 members of Parliament, 63 represent ridings in Quebec, which translates to 84% of all seats in Quebec. Of the 151 members of Parliament on the losing side, 139 represent ridings in the rest of Canada. That is, 61% of members from the rest of Canada voted against maintaining the registry.

Instead of grasping at straws and coming up with convoluted arguments pitting people from the regions against city dwellers, let us just admit that Quebec and Canada are two different nations, even when it comes to their core values, that Quebec and Canada are two countries, two neighbours and two friends who respect their differing majorities.

Last week's vote was not close, or tight or controversial. It was another illustration of our need for independence—

The Speaker: The hon. member for Vancouver Quadra.

* * *

[English]

COMMONWEALTH GAMES

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, today I rise to congratulate the impressive performance of Canada's great athletes. On day one of competition at the Commonwealth Games in Delhi, Canadians took three medals in swimming.

[Translation]

Ryan Cochrane, a swimmer from Victoria, dominated the 400 metre freestyle event, and won the gold medal for Canada.

[English]

Julia Wilkinson and Stefan Hirniak both won bronze in the women's 200 metre individual medley and in the men's 200 metre butterfly respectively.

[Translation]

I must also mention the performance of Geneviève Saumur, who took fourth place in the 200 metre freestyle event.

In the coming days, Canadians will cheer on diver Alexandre Despatie and synchronized swimmer Marie-Pier Boudreau-Gagnon.

[English]

We will be cheering for cyclist, Michael Barry; track and field athlete; Jessica Zelinka; and in shooting, Susan Natrass.

[Translation]

The Liberal Party is proud to encourage our athletes participating in the Commonwealth Games.

* * *

●(1415)

[English]

LEADER OF THE LIBERAL PARTY OF CANADA

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, while Canadians are concerned about the economy, it is clear that the Liberal leader has a different set of priorities.

On Wednesday, when Parliament was debating employment insurance, the Liberal leader pronounced that the issue was the census, not EI.

Oral Questions

Last Monday, when the Prime Minister and senior ministers met to work on the economic action plan, the Liberal leader and his spokesperson laid out other key Liberal priorities: making it easier to possess and use marijuana and extending illegal drug injection sites into local communities.

The census, marijuana and illegal drug injection; it seems that everything is a priority for the Liberal leader except the economy.

It is little wonder the Liberal leader avoids talking about the economy. His economic agenda includes hiking taxes on job creators, lowering the EI qualifying period to only 45 days, increasing the GST back to 7% and billions of dollars in reckless spending.

ORAL QUESTIONS

[Translation]

GOVERNMENT PRIORITIES

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, this summer in Montreal, I met a woman who takes care of her two sick parents all by herself, at home, without any help aside from her father's pension as a veteran. There are three million Canadians in similar situations.

How can the government explain to this woman why it spent \$6 billion on corporate tax cuts instead of helping struggling families, like hers, who are trying to take care of their parents?

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I can say to the woman with whom the opposition leader met that our government has made an unprecedented commitment to our veterans, our men and women in uniform, to ensure they get the care they need after they so bravely served our country.

The recent announcement by the Minister of Veterans Affairs underlines and demonstrates the huge priority we have given them, once again going further than any government ever has in Canadian history.

At the same time, we recognize that people who need health care and the important public health care system that we enjoy need the federal government to be there as a financial partner, which is why the Minister of Finance, again in this year's budget, increased the transfers to the provinces by 6%, to support important health care services operated by the provinces.

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the woman I met in Montreal this summer looks out at a world in which her government spends \$1.3 billion on the G8 and G20 summits, \$16 billion on planes without a competitive bid, triples the publicity budget of the government and is about to give big corporations a \$6 billion tax break.

The question she wants answered by the government is: "What about my priorities? When am I going to matter?"

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, our government remains focused on

the big priorities that matter to Canadians. The biggest single priority across this country is the economy. It is job creation so that Canadians from right across the country from coast to coast to coast can have the dignity of a job and be able to provide for themselves and their families.

Also, Canadians depend on publicly funded health care, which is why this government, when faced with tough economic times, resisted following the Liberal tradition of cutting health care by \$25 billion. In this respect, we have increased the transfers to the provinces by some 30% in just a few short years.

That is why we believe in supporting those who most need help.

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the record speaks for itself: \$6 billion in corporate tax breaks for large corporations, a wasted \$1.3 billion on the G8 and G20 summits and tripling the publicity budget of the government. The woman I was talking to can barely manage to look after her aging parents at home.

When will the government pay some attention to the growing needs of Canadian families for home care assistance? When will it get its priorities right?

• (1420)

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, for the woman in Montreal, her priorities are our government's priorities. We are focused on growing the economy so that everyone can have the dignity of a job, and the pride that comes from being independent and being able to provide for themselves and their families.

We are focused on ensuring Canadians have those important services they depend on, particularly health care which many people desperately need. That is why our government has avoided the temptation to cut and slash transfers to the provinces, which we saw in another recession and another period when the Liberals were in power.

We are working with the provinces, respecting provincial jurisdiction and providing the provinces with the finances they need to deliver quality health care to Canadians.

* * *

OFFICE OF THE PRIME MINISTER

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, Onex's VP, Nigel Wright, is taking temporary leave from leading the company's defence, aerospace and energy units to become the Prime Minister's chief of staff.

In just 18 months he is obligated to return to overseeing multi-billion dollar defence procurement files, among other unspecified responsibilities.

Will the Prime Minister make public all of the terms and conditions under which Mr. Wright will be released by Onex and the terms and conditions of his employment and post-employment as chief of staff to the Prime Minister?

Oral Questions

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we are so fortunate in Canada that outstanding individuals, like Nigel Wright, are willing to come to their nation's capital and serve the public.

Mr. Wright has sought and has followed the direction of the independent Conflict of Interest and Ethics Commissioner and will continue to do so. He will respect all the rules in place, not just with ethics and with accountability, but all the other acts that all ministerial staff are required to do. He will continue to do that and he will provide great service to this government and, through it, to all Canadians.

* * *

[Translation]

MINISTERIAL RESPONSIBILITY

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, at the same time, the Conservatives are trying to avoid an inquiry into their information censoring process.

The information commissioner is studying the possibility of illegal interference in eight departments, including the department of the former minister of Public Works.

Will the government shed some light on its information censoring process and make the emails, briefing notes and other Public Works documents fully public? They are relevant to this inquiry and currently being held back by the government.

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, let me say to my friend opposite that this government has fought hard, this party, the Conservative Party, has fought hard to expand the access to information system because Canadians have an important right to know how their government operates and in whose interests it operates.

The now Minister of Natural Resources has asked the Information Commissioner to review this entire matter and we look forward to her independent judgment.

* * *

[Translation]

QUEBEC CITY ARENA

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, over 60,000 Quebec citizens came together last Saturday to show their support for the construction of a multi-purpose arena intended specifically to attract the Olympic Games, a professional hockey team and various cultural events. The organizer of the blue march demonstration, Mario Roy, used the opportunity to appeal to the federal government and ask it to take action on this issue.

Will the Prime Minister finally heed the call of the people of Quebec City, who were very vocal about their desire for an arena, and will he do his part by contributing to its funding?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, there are requests for new infrastructure across Canada, both for the CFL and the NHL. Our position has always been clear. While we are huge fans of professional sports, funding for sports facilities must come from the private sector. The federal govern-

ment's role, if indeed it has one, would be to show fairness across the country, that is, when expenditures are reasonable and affordable.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it seems that the Prime Minister is always available to meet with businesspeople and lobbyists. Will the Prime Minister also be available regarding the multi-purpose arena and willing to add to his agenda a meeting with the mayor of Quebec City, Régis Labeaume, who has been calling for such a meeting for quite some time?

● (1425)

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, like my colleague, I am aware of the fact that the mayor wants to meet with the Prime Minister. The minister responsible for the Quebec City region would be the appropriate person to make the necessary arrangements for a meeting when the time is right. It was that minister and her colleagues in the Quebec City region who were able to take action on the airport, PEPS, the Musée de la civilisation and the exhibition centre.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, while people in Quebec City are waiting for a federal contribution to build a multi-purpose arena, the minister responsible for the region of Quebec is making excuses. Now she is saying that Ottawa will not make a decision until 2015, the year the host city will be selected for the 2022 Games. Mayor Labeaume needs an answer by December 31.

Does the minister realize that her hesitation to fund the multi-purpose arena is jeopardizing Quebec City's Olympic bid?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, as we have said a number of times, the government has received the report from Ernst & Young commissioned by Équipe Québec. This report is still under review, but we have commented on it.

First, Mayor Labeaume indicated that he would like to make a decision on the Olympic bid by the end of the year. For the rest, the Prime Minister has been clear: he would like the private sector to contribute its fair share. I would like to point out to my Bloc colleague that on the weekend, the Parti Québécois' Pauline Marois also called on the private sector to contribute.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the Conservatives like talking about fairness, so we will give them an example.

The minister claims that we have to wait for Quebec City to win its bid to host the Games before the federal government will agree to invest. We therefore have to wait five years to get an answer. However, Toronto received \$500 million from the federal government in 2001 to boost its bid for the 2008 Olympic Games. There was no requirement that it be selected by the IOC. If it is good for Toronto, then why is it not good for Quebec City?

Oral Questions

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, the truth behind what the hon. member is saying is that funding was granted at the time to revitalize and clean up the shoreline, not for Olympic facilities.

* * *

[English]

TAXATION

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, Frank Rainville is a senior in Sturgeon Falls, Ontario, who told me about how his bills for basic utilities have gone up by \$20 a month just this past month because of the government's HST. He asked me how he could cope with heating bills when he has to turn the thermostat on because it is cold up there. The fact is that heating bills are going up all across the country and working families are struggling right now.

Will the Prime Minister show some leadership, join with us and work to take the federal sales tax off home heating fuel now?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, unlike the NDP, this government has been focused on reducing the tax burden for hard-working Canadians since the very day we took office. Every single time the Minister of Finance has stood up with proposals to cut taxes for working families, New Democratic Party members have stood up and voted against them. When we cut the GST by 2%, which is a 40% reduction, the NDP voted against it. When we sought to cut taxes by some \$3,000 for the average Canadian family, the NDP stood up against it.

I welcome the NDP members aboard the tax-cutting train, but they are too late. The train has left the station.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, instead of giving subsidies to the big oil companies, the NDP is proposing that ordinary Canadians be exempt from paying federal tax on their heating bills and that the eco-energy for home retrofit program be reinstated to create jobs.

The recovery is stalled. People still need help.

Will the government work with us or will it once again fail the people and the environment?

• (1430)

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we are always happy to work with our friends in the New Democratic Party when it comes to cutting taxes for Canadian families, but they arrive once the train has left the station. It is our government that has cut taxes for the average Canadian family by some \$3,000 per year since we took office. If the member opposite is so concerned about tax on the heating fuel, maybe he should travel to Halifax and talk to the provincial NDP government there, which has raised taxes on the HST. Maybe he should visit Halifax.

MINING INDUSTRY

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the NDP government in Halifax just took the sales tax off home heating fuel.

The fact is the government does nothing for home heating and for hard-working families. But look at what the Conservatives can come up with: \$1 billion for a predatory corporation known as Vale. This is \$1 billion for a Brazilian giant that broke its promises to Canadians, laid off hundreds of people, attacked workers' pensions and even used scabs for months to fuel a year-long strike. For 16 months, the Prime Minister would not lift a finger for the communities that were being attacked by Vale, but now he has \$1 billion to help it recoup its profits. Job well done, boys. When will they put a stop to it? When will they take action?

Hon. Peter Van Loan (Minister of International Trade, CPC): Mr. Speaker, the Export Development Corporation is an arm's-length corporation that seeks to assist Canadian companies and workers in exporting products. The Vale loan is designed to facilitate an expansion of a nickel processing facility in Newfoundland and some other projects in Ontario, and as well, to facilitate the purchase of equipment manufactured by Canadian workers, to be used in projects abroad. We think these are all good things for the Canadian economy.

* * *

OFFICE OF THE PRIME MINISTER

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, when members of the PMO announced the new chief of staff will be a corporate executive, Nigel Wright, they failed to mention that his appointment was only a temporary leave. The media had to confirm that fact in a September 24 communication with Onex. The PMO also failed to mention that Mr. Wright had close ties with Lockheed Martin since at least September 2009 in a partnership to sell military aircraft to the U.S. government. How could Mr. Wright possibly serve as chief of staff given his plans to return to work with his corporate clients?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, Mr. Wright has not even started his first day as chief of staff and the Liberals are already planning for his departure. Let me say that he will follow and respect all the rules that apply to ministerial staff. He will disclose everything as required by the independent Conflict of Interest and Ethics Commissioner. He will recuse himself on all matters directed by the commissioner. This is the high standard that this Conservative government set when we brought in the Federal Accountability Act, the toughest ethics reform that the Liberals complained went way too far just four and a half years ago. He will follow all the rules and we will ensure that ethics and accountability remain the hallmark of this government.

Oral Questions

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, then the government should be open and transparent and release the information.

Onex says that Mr. Wright heads up its aerospace, defence and energy portfolios, and states that he will return in 18 to 24 months.

How can the Prime Minister have a chief of staff who will be perpetually facing conflicts of interest with departments as important as industry, national defence, natural resources, public works and finance, just to name a few? Whatever happened to the cooling-off periods?

Will the government release the employment agreement, with all the terms and conditions, or will it wait until a committee has forced it to do so?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, by raising this kind of argument, I guess what the Liberal Party is now saying is that anyone who has been successful in the private sector, who has been successful in tackling issues of the economy, should not come and give his or her talents and skills to the people of Canada. That is very regrettable.

Mr. Wright will follow all of the high ethical standards that are contained in the Federal Accountability Act. He will disclose everything that is requested of him by the independent, arm's-length Conflict of Interest and Ethics Commissioner. He will follow all the conflict of interest rules and recuse himself whenever necessary. That is the high standard that the Prime Minister has set on ethics and accountability.

* * *

[Translation]

MINISTERIAL RESPONSIBILITY

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, on June 3, the Minister of Natural Resources told a committee that ministers are personally responsible for the actions of their employees. Just imagine what happens when it is something that affects them personally.

My question is simple. Was the Minister of Natural Resources aware that his assistant, Sébastien Togneri, had an access to information request concerning asbestos, a delicate subject in his region, that he attempted to interfere with?

• (1435)

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, it is this government and this party that fought very hard to expand the access to information system in this country.

We put literally dozens of new government agencies under that access to information law, and we are very proud of that.

It is very important that public servants make all ATIP decisions. Political staff should not attempt to override these decisions.

Mr. Togneri has offered his resignation. The minister has done the responsible thing and accepted it.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, ministerial responsibility also consists of answering questions about his department.

It has been said that information is the cornerstone of a democracy and that without adequate access to key information about government policies and programs, incompetent or corrupt governance can be hidden under a cloak of secrecy. Who said that? The current Prime Minister of Canada.

Will the Prime Minister heed his own words and ask for the resignation of the Minister of Natural Resources.

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, those of us on this side of the House do not need any lectures on ethics and accountability from a member of the previous Liberal government.

The high standards that the Prime Minister has put in place for his ministers is appropriate and is important. The now Minister of Natural Resources has accepted the resignation of the staff member.

The whole of that matter has been referred to an independent Information Commissioner. All the files that will be required in the investigation have been forwarded by the department. We look forward to co-operating fully with that study.

* * *

[Translation]

INFRASTRUCTURE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the 2,000 delegates of the Fédération Québécoise des Municipalités adopted a resolution calling for the extension of the deadlines for infrastructure programs. Without this extension, a number of projects that have already begun will not be able to be completed, and this will result in losses and will be a waste for municipalities.

Will the federal government finally listen to the call from the Fédération Québécoise des Municipalités and the real Bernard Généreux, and push back the deadlines?

[English]

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we had a great meeting of transport and infrastructure ministers in Halifax late last week. All governments from across Canada were represented.

There is a lot of good news out there. Nova Scotia says that 98 out of 100 of its projects are going to get done on time. British Columbia says that they will almost all get done. Saskatchewan is hoping for a late frost and it thinks all of them will get done. Alberta is of the same mind. Quebec wants to extend on the Preco projects the deadline of December 31 that it imposed on itself. We are going to be reasonable and are working with Quebec to discuss how we can make things happen in Quebec as well.

Oral Questions

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Prime Minister said that the review of the projects would be “fair and reasonable”. The case-by-case approach breeds uncertainty and stalls investments. What these municipalities want is for the government to respect the financial commitments it has already made.

Can the Prime Minister dispel these doubts and tell us that his “fair and reasonable” approach will ensure that all approved projects will be completed, without penalty, regardless of the deadlines?

[*English*]

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, of course, we are good for the full commitment that we made, as we are hoping they are good for the commitment they made as well.

Listen to this quote:

In just over 18 months, the Government of Canada, in partnership and cooperation with provinces, territories and municipalities, has exceeded the expectations of Canada's public works community in successfully rolling-out billions of dollars in stimulus spending under its Economic Action Plan.

That comes from who? It comes from Darwin Durnie, the president of the Canadian Public Works Association. We are getting it done, and we are exceeding expectations.

* * *

[*Translation*]

MINISTERIAL RESPONSIBILITY

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, the Minister of Natural Resources did not allow his assistant, Sébastien Togneri, to testify in committee, invoking ministerial responsibility and stating that “ministers [are responsible]...for the actions of their subordinates.” His assistant has acknowledged making serious mistakes in relation to the Access to Information Act and has resigned.

If “ministerial responsibility” is not merely a principle used to avoid accountability, will the minister be consistent and resign?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, the Minister of Natural Resources accepted the resignation of one of his assistants. The entire file has been given to the information commissioner. The commissioner will study it and we will await her conclusions.

• (1440)

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, on Friday the Prime Minister's spokesman, Dimitri Soudas, said that Mr. Togneri was responsible to his minister for his actions. Period. In short, minister's staff are accountable to their ministers but the minister is not accountable to the public when it comes to mistakes made in his name by his staff.

Will the Minister of Natural Resources abide by his own definition of ministerial responsibility and resign?

[*English*]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, by accepting the resignation I think the minister has demonstrated that he does accept responsibility in this regard.

G8 AND G20 SUMMITS

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, we know the government uses fear and buzzwords to paper over waste and dismiss accountability. It invoked the word “security” to bury hundreds of millions splurged on gazebos, in-suite snacks, a steamship, fiddlers and more. Now it is to defend blowing millions to build and drain lakes for 72 hours of meetings on fiscal restraint, as if fake or drained lakes somehow protect world leaders.

I ask the minister, when he drained the lake in Muskoka, did he at least recycle? Did he use it to fill the lake in Toronto?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, that is a member who never gets his facts right, especially when it comes to numbers. In fact, the number that he indicated was totally false.

The amount of money spent in order to prepare the ground for RCMP accommodations was \$144,000. That was well spent, and I am prepared to show the Auditor General exactly how that money was spent on behalf of the RCMP.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, let us look at the facts and let us look at the numbers.

From an order paper question pried from the government, the cost of the drained lake was \$4.1 million for “licence for use of location/fit up”. Let us continue on that. If we look at the same minister who told the House a prison bill would cost \$90 million when the real cost exposed by the PBO was \$10 billion to \$13 billion, that is not a little wrong, that is people-riding-dinosaurs wrong.

I say to the minister, we cannot trust your numbers. Put all the summit receipts on the table and let taxpayers see just how badly you wasted their money.

The Speaker: I would remind the hon. member for Ajax—Pickering that it is nice to address the minister, but he is supposed to address the Chair.

The Minister of Public Safety has the floor.

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I have never indicated that the total cost would be \$90 million. The appropriation for this year was \$90 million. That member has again misconstrued the facts.

I have indicated that the cost would be \$2 billion over five years. I have been consistent on that figure. When the individual indicated that it would be \$10 billion to \$13 billion, he also indicated he did not have any numbers to justify that. In fact, our numbers are that it will be \$2 billion over five years.

* * *

LIGHTHOUSES

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, it is obvious when it comes to wasting money that the Conservative government knows no limits. Waste, not safety, is the name of the game.

Oral Questions

While the government was telling lighthouse keepers in Newfoundland and Labrador they were no longer needed, it was spending money on a fake lighthouse and a fake lake. There is nothing fake about the danger people face when working and travelling on the ocean. To suggest an automated lighthouse can replace people shows a government that is out of touch. People do not have mechanical failures.

When will the government wake up and make public safety a priority?

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, the Canadian Coast Guard's number one priority is mariners' safety. The Senate Committee on Fisheries and Oceans has agreed to undertake a review of the additional services that are provided by lightkeepers on both coasts of the country. We are confident that the committee's work will be very invaluable.

The Canadian Coast Guard encourages all those interested, including the lightkeepers themselves, to participate in this review.

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, it is only the minister and the government who are asking for a review. It is not only in Newfoundland and Labrador where the current government is playing with people's lives. The International Ship-Owners Alliance of Canada has said the government must stop any move to automate lighthouses.

So, while the government spent \$138,000 on digital pens for the G8 summit, it ignores safety concerns of the marine industry.

How can the government waste money on building a fake lake and a landlocked lighthouse 20 kilometres from the summit site but turn its back on safety provided by real lighthouses?

• (1445)

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, we are proud of our accomplishments at the G8 and the G20 summits. Canada is leading the global economic recovery as well as the international efforts to aid developing nations.

As we have said from the beginning, these were legitimate expenses. The majority of them were for security purposes. There were approximately 20,000 security personnel on the ground during the summits. The violence and destruction that occurred proved the need to ensure that those who attended the summits were protected.

* * *

THE ECONOMY

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, last week Canadians were shocked to learn that the Liberal Party supported a wild expansion of the EI program that would lead to \$7 billion in new costs to the Canadian economy. This came after the Liberal leader said clearly to all Canadians that the proposal was a bad economic policy.

Thankfully, this government will press on with its sound economic policies while the Liberal coalition keeps spinning its wheels.

Would the Parliamentary Secretary to the Minister of Industry please update this House on how our sound economic policies are creating real jobs for Canadians?

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, the ministers of industry and natural resources, today, celebrated with Pratt & Whitney the grand opening of its new global flight test operations facility in Quebec.

Canada's open and attractive free enterprise environment was recently ranked by the Economist Intelligence Unit as the best place in the G7 to do business this year and over the next four years.

The benefits of our economic plan are being realized right now, today, in Mirabel, Quebec, where this new plant will employ 250 people at peak production. This comes on top of news that, since June 2009, Canada has created an incredible—

The Speaker: Order, please. The hon. member for Algoma—Manitoulin—Kapusksing

* * *

[Translation]

TAXATION

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, according to the Canada Revenue Agency's latest report card, every dollar invested in its employees yields a return of \$4 to the government.

Unfortunately, the same report also talks about the job cuts planned for the unit that fights tax evasion.

The government wants to cut 200 positions over the next three years, even though the scourge of tax evasion is undermining our economy.

How can the government justify cutting jobs in the unit responsible for recovering money from those guilty of tax evasion?

[English]

Hon. Keith Ashfield (Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, CPC): Mr. Speaker, our government is taking very aggressive action, both domestically and internationally, to recover money owed to hard-working, law-abiding Canadians. In fact, under this government, CRA has uncovered 10 times the amount of unpaid taxes in the year 2009 compared with the previous government's record in the year 2005.

We are very proud of the work we are doing, and we will continue to do it.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, does the government understand that tax havens are a problem, that tax evasion is a serious crime?

We know that billions are sent offshore to the sunny Caribbean to hide underneath beach blankets and avoid Canadian taxes.

The current government's solution is to reduce the number of investigators at CRA who are looking for tax cheats.

Oral Questions

How can the government justify cutting jobs at Canada Revenue Agency? Why is it making law-abiding tax-paying Canadians foot the bill for these tax cheats?

Hon. Keith Ashfield (Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, CPC): Mr. Speaker, in the year 2009, over \$1 billion was uncovered in unpaid taxes. Almost 3,000 involuntary disclosures were received with over \$138 million in unpaid tax revenue identified, and just five months into this fiscal year we have already surpassed last year's disclosures.

We are taking this very seriously, unlike previous governments.

* * *

[Translation]

THE ENVIRONMENT

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, according to the registry of lobbyists, it appears that access to the Prime Minister is not equal for everyone. While the Prime Minister's door is always wide open for lobbyists for the oil patch, environmental groups have very limited access to the Prime Minister.

How can the Prime Minister claim to care about the environment when he only listens to the views of big oil?

• (1450)

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, our government's number one priority, for the past year and a half, has been the economy, so it should not come as any surprise that the Prime Minister meets with people whose fundamental priority is the economy.

The Prime Minister has also demonstrated that the environment is tremendously important. That is why he attended Copenhagen, and that is why he has appointed one of his most capable ministers as Minister of the Environment.

* * *

[Translation]

OFFICE OF THE PRIME MINISTER

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, the Prime Minister is putting himself in an awkward position by allowing his new chief of staff to retain his ties to Onex, especially since Onex is refusing to divulge the conditions for loaning this employee. Given that Onex has its fingers in many projects involving the federal government, it is troubling that the most powerful unelected official in Ottawa may still be under its control.

Does the Prime Minister acknowledge that his chief of staff must break all ties to his former employer?

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, Mr. Wright has sought counsel and advice from the independent Conflict of Interest and Ethics Commissioner. He is following all the rules that are in place and

following all her counsel. I am pleased to report to the House that he will continue to do so.

* * *

EMPLOYMENT

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, as part of the southern Ontario development program, the minister gave a company in his own riding \$5.2 million and stated, "This investment will create jobs". Well, it did not.

In fact, that same company took that \$5.2 million and later fired 81 of its employees, nearly all in Canada, using \$3 million of it for severance payments.

Can the minister tell us when he became aware of these job cuts, and how many other jobs have been lost at firms that received FedDev funding?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I am very pleased to report that FedDev Ontario has been created for years. Not just the government of Ontario but the people of Ontario want economic development initiatives for southern Ontario.

This government has provided some \$200 million a year for the next five years to support job creation and economic growth. We are very pleased with the work that has been done initially in the early years of this initiative, and I would be very pleased to take the inquiry and the specific question back to the minister upon his return.

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, U.S. Steel indefinitely closed its Stelco facility in Hamilton, thereby breaking its commitment to the government.

Neither the Prime Minister nor the industry minister is suffering because the government entered into this shoddy agreement. We can be sure that the people of Hamilton who lost their jobs are suffering.

Lawsuits to restore these jobs have failed, and the symptoms of weak-worded contracts the government is prone to entering into are glaring.

Why is the government so impotent in ensuring that promises are kept and that jobs are protected in southwestern Ontario?

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Of course, Mr. Speaker, we are disappointed to learn that U.S. Steel will idle its blast furnace in Hamilton, but we are encouraged by the company's statement that it will not lay off staff as a result. We will continue to closely monitor this situation.

With regard to the ongoing litigation between the Government of Canada and U.S. Steel, of course, I cannot make further comment.

*Oral Questions***NATIONAL DEFENCE**

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, this weekend the Minister of National Defence revoked an invitation to a moderate imam to speak at defence headquarters at an Islamic history month event. The minister went over the heads of his own officials to arbitrarily cancel this speech at the last minute.

Dr. Delic is known as a bridge builder who promotes peaceful dialogue between different faiths. Canadians from all backgrounds benefit from such open dialogue.

Will the minister reinstate the invitation as a show of good faith?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I am pleased to inform the member in the House that this internal event that took place this morning at national defence headquarters was to celebrate Islamic heritage month and to recognize the positive contributions that come from Muslims within the Canadian Forces and within the entire defence community.

The organization in question has been associated with comments in the past that, in fact, do not reflect the positive roles and significant accomplishments of the Muslim Canadians in the Canadian Forces.

This event was to focus on inclusiveness, diversity, bringing Canadians together and noting Canada's contributions to the world. I am pleased that this event provided an accurate and informative portrayal of what Muslims do for our country.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, while Dr. Delic had no part in the previous remarks, we do not want this kind of divisive, disrespectful religious debate in Canada as is going on in the U.S.

There are no winners when one faith is pitted against another. The original comments of course were unacceptable but the person apologized and retracted them. Dr. Delic had absolutely nothing to do with these comments. Foreign Affairs has had no trouble working with him and seeing him as a moderate.

The minister just does not seem to know what he is talking about on this file. Will he come to his senses and reinstate the invitation?

•(1455)

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, maybe the hon. member did not hear my response to his question.

I have already indicated that this internal defence event took place this morning with the focus on inclusiveness, with the focus on ensuring that we were having a debate that was about the contributions made by the Muslim community. This was a very good news event, an initiative taken by the Department of National Defence.

Let me refer the hon. member to what the Muslim Canadian Congress said on October 2. It said it “strongly welcomed the decision” of the minister.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, last week, Conservative and Liberal members of Parliament dealt U.S. military

deserters a crushing blow. No longer can American deserters look forward to automatic permanent resident status. Instead, if they are here illegally there will eventually be a cold, hard knock on their door by agents of the Canada Border Services Agency telling them that their time in Canada is up and that their deportation is imminent.

Could the Minister of Citizenship, Immigration and Multiculturalism explain why this is an unmitigated victory for the rule of law?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, I want to thank the leader of the Liberal Party for his assistance in ensuring the defeat of the irresponsible Bill C-440. We reject the ridiculous notion implicit in that bill that President Barack Obama is persecuting deserters from voluntary military service in the U.S. armed forces.

We further reject the basic inequity proposed in the bill that we would impose very severe penal sanctions on deserters from voluntary service to the Canadian Forces while welcoming as heroes deserters from voluntary service in foreign militaries. We believe that would send entirely the wrong message in terms of morale to our men and women in uniform.

* * *

OIL AND GAS INDUSTRY

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, last Friday, the Union of B.C. Municipalities passed, by an overwhelming majority, two resolutions: one, that the federal government legislate a ban on oil tanker traffic along B.C.'s north Pacific waters; and two, full opposition to tar sands oil being carried in pipelines across B.C. to the coast.

Will the Conservative government listen to these 154 B.C. municipalities for a change or will it just impose its own agenda, as usual?

[*Translation*]

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, my colleague knows that a joint panel is examining a study of the pipelines she mentioned. We will wait for the conclusions of this panel. A voluntary tanker exclusion zone does exist and will remain unchanged.

* * *

FOREIGN AFFAIRS

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, one of Canada's former ambassadors to the United Nations Security Council has revealed that the Prime Minister tried to muzzle Canadian diplomats by asking them to refrain from participating in UN negotiations on human rights, and to avoid using terms such as “equality between men and women” and “international humanitarian law”, which are values that are largely shared and defended by the people of Quebec.

Does the Prime Minister realize that these revelations will only worsen Canada's already fragile candidacy for the Security Council?

Routine Proceedings

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, I would like to take this opportunity to point out that Canada's candidacy for a seat on the Security Council is based in large part on its reputation and on the work it does abroad, including development, its role in Afghanistan with other forces, and the number of other councils it sits on at the United Nations. This all makes Canada highly qualified for a seat on the Security Council.

I am extremely disappointed that the Bloc and the Liberal leader—

The Speaker: The hon. member for Churchill.

* * *

[English]

POST-SECONDARY EDUCATION

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, the national student debt increases by almost \$1 million every day. The federal government has Canadian students and their families on the hook for close to \$15 billion.

According to the Canadian Federation of Students, when students have a higher load of debt, they are less likely to complete their degrees or their diplomas and, if they do graduate, they are slower to raise a family or buy a house. This is no way to stimulate our economy.

Will the government work with us to ensure that education is affordable for all Canadians?

• (1500)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, I have to wonder where the member's concern for students was when her party voted against the Canada student grants program that is benefiting 146,000 students more than under the previous Liberal government. Where was the NDP's concern when it was voting against making scholarships and bursaries for students tax free?

Where was the NDP when we were trying to give a textbook tax credit to students. Where was it when we were setting up the graduate scholarship fund?

It was voting against all of our initiatives that help support students.

* * *

VETERANS AFFAIRS

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, today we have learned that senior bureaucrats at Veterans Affairs are more worried about defending their programs than they are about defending veterans. In documents made public by veteran, Sean Bruyey, a senior bureaucrat, wrote that it was "time to take the gloves off.

Could the Minister of Veterans Affairs tell the House what he is doing to correct this terrible situation?

[Translation]

Hon. Jean-Pierre Blackburn (Minister of Veterans Affairs and Minister of State (Agriculture), CPC): Mr. Speaker, I am very concerned about the information that has been brought to light. Our

veterans deserve our respect and gratitude, and I have asked the deputy minister to verify this information, to investigate the issue, and to crack down if necessary.

I remind members that the public servants in the Department of Veterans Affairs are there to defend veterans, and to ensure that they receive the benefits they are entitled to, within a reasonable period of time.

* * *

[English]

ABORIGINAL AFFAIRS

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the Union of B.C. Indian Chiefs has asked the government to halt the process and consult with them but, of course, it does not listen. Does the minister not know that 56,000 jobs on B.C.'s north coast depend on the seafood and tourism industries?

The Conservative MPs for that region could have told the government but since they did not, here is what the UBCM has to say:

...[this] critical marine habitat...sustain the social, cultural, environmental and economic health of coastal communities...

How can the minister play fast and loose with the livelihoods of those B.C. communities?

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, we are always concerned about fish and fish habitat and our number one priority is to protect the habitat so we can conserve the fishery for the future.

ROUTINE PROCEEDINGS

[English]

RESIGNATION OF MEMBER

Hon. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I rise today with deeply mixed emotions. Where has the time gone? It seems like yesterday that I first walked into this august chamber. It was so intimidating and, in some ways, even after nearly 17 years, it still is. What an honour, privilege and, most days, a pleasure it has been to have a seat here, one of 308.

I wish I had a minute for every year I have been here for there are so many to thank in such a short amount of time.

First, and perhaps most important, I want to thank the constituents of Prince George—Peace River for their trust, loyalty and consistent majority support throughout six elections and three party incarnations.

Second, I thank my party loyalists, those who served so generously on my board of directors or on successive campaign teams and who worked so hard over the years to win me this job pounding the election signs through snow and frost of winter campaigns, sitting through countless town hall meetings or all candidate forums in one of the eleven communities, large or small, in northeastern British Columbia.

Routine Proceedings

The folks back home know who they are and there have been far too many of them over these many years to name them all. However, I do want to mention one, my mentor and great friend, Short Tompkins, a man of unshakeable integrity. His eulogy was another very difficult speech, for saying goodbye is never easy.

Third, I thank my caucus colleagues. There are about 250 MPs, past and present, who have served in the caucuses I have been privileged to be part of. Politics is best played as a team sport and I have been honoured to be a part of some of the best. I hope they will somehow forgive me for all those years I expected and asked so much of them as their whip or House leader.

Fourth, I thank colleagues from other parties because, no matter what our personal party of choice, we are all here for the same reason: to try our best to faithfully represent our constituents in this, Canada's house of democracy.

Fifth, I thank my staff, current and former, the dozens I have been privileged to have on my teams over the years, loyal, talented, committed and hard-working Canadians.

I only have time to mention the longest suffering, er...I mean serving, Mr. Speaker. These are: Charmaine Crockett, more than 14 years; Christine Wylupski, 10 and still counting; Ann Marie Keeley from the whip's office, on and off for the last 15; and, in my hometown of Fort St. John, Carol Larson, my senior constituency assistant for more than a decade, including serving as my campaign manager for the last three elections. Their steadfast support, exceptional talent, hard work and friendship over these many years made this life not only tolerable, but enjoyable. I will miss them all.

I thank Kera and Kenzie for being here as well today, along with a number of close personal friends.

My best parting advice for new members is that they choose their staff wisely because their choices can make or break their career.

Sixth on my list to thank is you, Mr. Speaker, at the risk of sucking up, for your guidance in all things procedural, your friendship and our shared adventures abroad as part of your delegations. On behalf of Leah and myself, thank you, Mr. Speaker, or should I say, PMilly? You have not only been our longest serving Speaker but, in many ways, one of the very best, despite what I may have said recently.

I also want to thank and pay special tribute to our table officers, clerks, guards and all the staff on Parliament Hill, especially for their terrific leadership, our Clerk and Sergeant-at-Arms.

I have had the honour to serve four times as the whip and twice as House leader both in opposition and in government. I thank the leaders who had that much faith in me, Preston Manning, like Short, a man of impeccable integrity and a true visionary.

● (1505)

I would like to thank our Prime Minister, whom I first met in Calgary's Heritage Park more than 22 years ago, prior to both of us running for the fledgling Reform Party in the 1988 election. Much later he and I shared adjacent offices in the attic of the Confederation Building, between 1994 and 1997. I was honoured and humbled when he brought me into cabinet in 2007 as secretary of state to

assist the Prime Minister in addition to being his whip, and I hope I was of some assistance.

Then following the 2008 election I received the ultimate privilege when he named me the leader of the government in the House of Commons. Thank you, Mr. Prime Minister, for entrusting me with such weighty responsibilities.

Next is my family: my father, now passed away, tragically something else that the PM and I share, for we both lost our fathers on the very same day; my mom, how can I every thank her enough; my older sister and three younger brothers, their partners and families; my three wonderful children who really were just kids when I began this journey, Holly, Heather and Heath. I hope someday they will forgive me for subjecting them to the political life and that someday they will be half as proud of me as I am of each of them and their partners. To Leah's father, Bill Murray, who is here today supporting us as he always has, and his wife Michelle, thank you.

Naturally, Mr. Speaker, I saved the best for the last, and you know her well. I thank Leah for helping with my transformation, not just from being the second worst dressed MP into the member who is notable for his terrific ties, but for chiselling off the rough edges, for making me a happier man, a much better person and a stronger representative for the great people of northeastern British Columbia. Leah's unwavering support, constant encouragement, persistent good humour and unbelievable work ethic throughout the past 11 years have been a huge part of whatever success I have managed to achieve.

Lastly, I want to say that the thing I will miss most about politics is the people, vibrant, passionate people. For life is about relationships, our personal ones with family and friends, our professional ones with workmates, staff and colleagues. Because of politics I have been privileged to meet great Canadians in every corner of our great nation, and indeed great men, women and children of many nationalities, religions, cultures and colours all around the world. It is those relationships and the ones with friends here on both sides of the aisle that I will always cherish and that I will miss the most.

However, in the end it is ultimately up to each of us to determine when it is the right time to leave, when the passion has begun to wane, when we may no longer be sufficiently motivated to give the job the 100% that our constituents deserve. We are fortunate if we get to choose the time of our departure rather than our constituents making the choice for us. For me that time is now, Mr. Speaker, for you will soon receive my official letter of resignation effective October 25.

Routine Proceedings

Over the past 17 years I have come to respect, to honour and to cherish the traditions, practices and history of this place but in the end, I would ask all colleagues to reflect upon and to keep in mind the title of Erik Nielsen's biography, *The House is not a Home*.

• (1510)

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, with the remarks we have just heard from the hon. member for Prince George—Peace River, I hope that these few minutes in the House today may prove to be one of those rare occasions when this place can climb above itself to a better plane. I think the hon. member has started this in a good direction.

The member for Prince George—Peace River, the former House leader and whip for the government, has told us that he is not only not running in the next election but that he will be stepping down from his office as a member of Parliament very soon. For most of the member's time in House leadership, various roles as whip and particularly as House leader for his party, it was my lot to be his counterpart for the Liberal Party and I can tell the House honestly and sincerely that I am sorry to see him go. That is not because we usually agreed on everything, or indeed anything, but for the most part we had what was a constructive and most importantly, respectful relationship.

We are both from the west. We both share backgrounds in agriculture and in rural Canada. We were both elected to this place in every election since 1993, although I did have a head start on him in 1974. Neither of us really wanted to be House leader for our respective parties, but we were on both the government and the opposition sides. Both of us have a great deal of respect for Parliament and for the fundamental institutions of democratic governance in this country.

We both now, by coincidence, share offices here in the Centre Block side-by-side each other. Until today's announcement I was thinking that it would be absolutely impossible to shed this guy because he moved in right next door.

The member for Prince George—Peace River was one of those MPs who could hear and understand and respect somebody else's different point of view. I found that I could always deal with him on a straight-up basis.

I remember one incident when I prepared a very detailed email about House tactics and I fired it off to my assistant whose name started with "Ja". His first name was Jamie. In the flow of emails, I hit the wrong button and that very detailed memo went to another guy whose name started with "Ja" but ended with "y". I called him and said he just might want to ignore that email. He said that he did not think it was intended for him and not to worry, that it had already been destroyed.

More generally, we could have candid discussions about serious issues as House leaders. We would rarely agree, as I mentioned before, but we could come to a conclusion about how the parliamentary procedural dimensions of those issues ought to be handled. We could look each other in the eye, shake hands on it and be absolutely confident that each would keep his word. That element of trust is fundamental to the functioning of this place and is a rare quality, and I always respected that in that particular gentleman.

I say to my friend from Prince George—Peace River, yes indeed I am sorry to see you go. I will not have to listen anymore to your long-winded answers to my very short and succinct Thursday questions about House business, but I will miss your goodwill, and your respect for Parliament and for the people who work here on all sides of the chamber.

I want, on behalf of the official opposition, to wish all the best to the member for Prince George—Peace River, to his wife and to his family. He leaves this place with a reputation for decency, and that is a high accomplishment for all of us who serve in public life.

May I leave him with a short poem that I think neatly sums up the life of a House leader in the House of Commons. All party leaders should pay attention to this:

• (1515)

It's not my place
To run the train
The whistle I can't blow.
It's not my place
To say how far
The train's allowed to go.
It's not my place
To shoot off steam
Nor even clang the bell.
But let the damn thing
Jump the track...
And see who catches hell!

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to speak today, as deputy leader of my party, to pay tribute to the member for Prince George—Peace River, who has announced that he is retiring from politics after 17 years of service to his constituents in northern British Columbia. It surely cannot be easy to leave his political family and his colleagues who have walked this road with him over the years. We can understand how intense the emotions must be when one decides to leave politics.

When we think about the career of the member for Prince George—Peace River, the true meaning of the phrase "public service" becomes apparent. Over the course of his political career, the member for Prince George—Peace River spent many years as parliamentary leader and party whip, which required his continued presence on Parliament Hill during periods when the House was not in session.

This work, which is demanding for any parliamentarian, is particularly so when one's riding is thousands of kilometres from Parliament Hill, as is the case for the member for Prince George—Peace River.

This desire to serve his constituents has undoubtedly had significant repercussions on the personal and family life of the member for Prince George—Peace River, which makes his 17 years of public service all the more admirable.

Routine Proceedings

My colleagues in the Bloc Québécois and I have had the chance to work alongside the member and we have seen just how determined and thorough this man is and how courageous he is in defending his convictions concerning decorum in the House of Commons.

Sometimes we have worked together, sometimes we have disagreed, but no matter what the circumstances, we have always appreciated the honesty and availability of the member for Prince George—Peace River. He respects his opposition colleagues, which is worth mentioning because it is such a rare thing these days.

In closing, I wish the member nothing but success in his future endeavours. We share with him the joy of being with his family members who, for the past 17 years, have been waiting to spend more than just a little time with him.

• (1520)

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, it is a great pleasure to rise in the House today on behalf of NDP members to say a few words about what I think his constituents always think is the guy from Peace River. That is how they will remember him.

I had the good fortune, as well, to work with the hon. member as House leader for the NDP when he was the House leader for the government. Over the years, I have become used to the member and his straightforward way, his blunt way of just laying it on the table, no BS, there it is, this is what it is, and he is to be respected and admired for that.

We heard the member say that he was elected six times, but maybe what some members have forgotten, and maybe even his constituents, is that the first time he ran, in 1988, he came in third after the NDP. Therefore, maybe there is hope for us yet in Prince George—Peace River. We are counting on that now.

In reviewing his various party affiliations, to which he alluded, we should go into this just a bit more. I think people might see that the member is a bit of a radical. He started off with the Reform caucus, the Canadian Alliance caucus, the PC/DR Coalition. He then went on to an independent caucus with some of his colleagues, then back to the Canadian Alliance caucus and now his political resting place in the Conservative caucus. There is quite a lot of switching around, so the member might have a bit of a radical bent to him.

I also noted that his bio does not list his publications, but our whip, the member for Acadie—Bathurst, who worked with him as whip, reminded me that there is one that we will not forget. That is the great publication, the committee handbook of dirty tricks. It was not quite a bestseller and I do not think it made it to second printing, which probably is for the best.

On a serious note, the hon. member for Prince George—Peace River has always been a fierce whip and House leader for his party. I think it is possible that his own members feared him more than we ever did in the opposition.

However, as I worked with him as House leader, I know one thing he did really try to work on very hard and that was decorum in the House. How many discussions did we have about that? Maybe in his political retirement he can write a new handbook on decorum in the House. That would be much appreciated.

We know the member as a dedicated parliamentarian, a very snappy dresser and someone who has served his constituents and the House well. We wish him and Leah, his wonderful partner, all of the best.

The member for Prince George—Peace River has always been forthright and upfront with us and we have respected that. I remember when he told us loud and clear that he was fed up to the teeth with the Canada-Colombia free trade agreement and that he would cut the debate. That is exactly what he did, and we expected it.

We thank the member for all of his work. It has been a pleasure to work with him. We wish him all the best in his new life outside of this place, and we know there will be many good years.

• (1525)

The Speaker: The Chair has nothing he can usefully add to the discussion that has already taken place.

[*Translation*]

I would also like to thank the hon. member for Prince George—Peace River for what he has done and especially for his work on the Board of Internal Economy.

[*English*]

The Minister of Transport is rising on the same point and he will have something to say.

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, responding to a retirement announcement, thankfully, is not the same as a eulogy although a twinge of nostalgia might be allowed as the hon. member for Prince George—Peace River moves on to enjoy the next chapter of his exceptional life.

My friend and I were both elected back in 1993 and even before then I clearly recall him saying to me “We’ll get elected, partner, we’ll go to Ottawa and we’ll look after each other’s backs”. Seventeen years later, we are still best friends and, true enough, we have been looking after one another’s backs since the beginning.

As might be expected of best friends, our careers have had some similarities along the way. We both started out life in the resource sector, running heavy equipment and learning to manage a crew of pretty rough characters. It probably prepared us for what we are doing here today.

We have both been whip and House leader for our parties, although my colleague did it better and longer than I ever did. We were both asked to serve in the cabinet. Throughout it all, we came to appreciate that the support of the voters at home was the underpinning of all good things political.

Routine Proceedings

What members will hear and read is that within our party and within Parliament the MP for Prince George—Peace River has had an exceptionally productive career and an exceptionally positive influence. While all of that is true, it is also true that our colleague has always been an impact guy. In early days he earned a reputation as a pugnacious political fighter. Right from the start, our colleague was a local folk hero in his beloved Fort St. John, consistently topping the polls in our province. He was “Jay of the North”, a no-nonsense guy who knew what he knew and was not afraid to tell anyone how things were in the real world outside of the Ottawa bubble.

However, somewhere along the line our colleague made a conscious decision to change tactics. It was not enough to simply challenge the status quo. He decided to make the most of the leadership opportunities offered him, and a leader is what he has become, using his considerable abilities to positively influence not only his political party but the House of Commons as well. It was a big shift for a crusty old roughneck from the oil patch, but he did it. He did it successfully and with panache, and let us face it, in the early days he would not even have known what panache was.

Like all of us, our colleague has a private life and there, too, he has emphasized the things that really matter. Being a good father is important to him and his positive relationships with his three children, Heather, Heath and Holly, now all adults, has been and always will be a priority, as is his relationship to his soulmate and partner, Leah Murray.

He is passionate about relationships and that means those fortunate folks who are closest to our colleague get to see a man who cares about them and is not afraid to show it. Deb and I are proud to call all of them our friends.

Our colleague will soon move on to the next stage of life, secure in the knowledge that his legacy in this place and as a member of Parliament for Prince George—Peace River is safe in history. He was and is principled, direct and results-oriented. He is a straight-shooter everyone wants in their corner when the going gets rough.

The member for Prince George—Peace River should enjoy the next stage of his life and he should know that wherever he goes and whatever he does, I have his back.

The Speaker: I am happy to join all hon. members in wishing the hon. member for Prince George—Peace River the very best in his retirement from the House. I am sure we will see him around and about occasionally with his wife. We hope that happens on a continuing basis.

* * *

● (1530)

PETITIONS

PASSPORT FEES

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, my petition calls on the Canadian government to negotiate with the United States government to reduce U.S. and Canadian passport fees. American tourists visiting Canada are at the lowest level since 1972. It has fallen by five million in the last seven years, from 16 million in 2002 to only 11 million in 2009.

Passport fees for multiple member families are a significant barrier to traditional cross-border family vacations and the cost of passports for an American family of four can be over \$500. While over half of Canadians have passports, only one-quarter of Americans have them.

At the Midwestern Legislative Conference of the Council of State Governments, attended by myself and 500 other elected representatives from 11 border states and 3 provinces, a resolution was passed unanimously, which reads as follows:

RESOLVED, that the...Conference calls on President Barack Obama and [the] Prime Minister...to immediately examine a reduced fee for passports to facilitate cross-border tourism;

...we encourage the governments to examine the idea of a limited time two-for-one passport renewal or new application; and be it further

RESOLVED, that this resolution be submitted to appropriate federal, state and provincial officials.

To be a fair process, passport fees must be reduced on both sides of the border. Therefore, the petitioners call on the government to work with the American government to examine a mutual reduction in passport fees to facilitate tourism and to promote a limited time, two-for-one passport renewal or a new application fee on a mutual basis with the United States.

MULTIPLE SCLEROSIS

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I have a petition signed by a number of fellow Canadians, mostly from the national capital region, although some of them might be a bit outside of it. Therefore, they are mostly from Quebec and Ontario.

They call on the ministers of health of Canada and the provinces to get together to discuss allowing hospitals, private clinics and individual doctors to test for and treat CCSVI in all Canadians who desire testing and treatment and to plan and implement a nationwide clinical trial for the evaluation of venography and balloon venoplasty for the treatment of CCSVI in persons diagnosed with MS.

ANIMAL WELFARE

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I have four petitions to present.

The first is for the Government of Canada to support a universal declaration on animal welfare. There are hundreds of petitioners from Windsor and Essex County who call for the strengthening of animal welfare rights across the world.

There is a recognition that animals around the world suffer during natural disasters, as well as during cruelty inflicted on them on a regular basis. The petitioners call upon the government to support the universal declaration on animal welfare and that Canada become part of that effort.

Points of Order

The second petition also relates to animal welfare. The petitioners call for strengthening animal transportation regulations. They understand that sometimes animals can be transported for hundreds of kilometres, for hours and even days, sometimes without food, water or basic proper shelter.

Hundreds of petitioners call upon Canada to strengthen this act to ensure there will be proper humane conditions for animals in transport.

SRI LANKA

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the third petition deals with an issue related to Sri Lanka. The petitioners call for humane and just support for those who have been affected by the war there and to be a country that supports ensuring that human rights abuses are not committed upon them.

CANADA POST

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the last petition is signed by hundreds of petitioners from Windsor and Essex County. They call for the retention of Canadian postal services. They are worried that postal services will be reduced, which they consider vital infrastructure for their communities.

The petitioners call upon the government to maintain those facilities as they currently stand.

• (1535)

PROROGATION

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I have a petition in which the petitioners note that the prorogation of Parliament is becoming an ever-increasing event used in the House. They also note that each occasion of prorogation creates a delay in parliamentary activity and that there is a potential for prorogation to be used to avoid the expression of parliamentary will.

The petitioners ask that Parliament enact legislation to prevent the use of prorogation unless deemed necessary by the majority of the members of Parliament. The petitioners and I look forward to the minister's answer.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

PRIVILEGE

PREMATURE DISCLOSURE OF A PRIVATE MEMBER'S BILL—SPEAKER'S RULING

The Speaker: Before we proceed to orders of the day, I would like to take a minute to respond to the question of privilege raised on September 30, 2010 by the Parliamentary Secretary to the Leader of the Government in the House of Commons regarding the premature disclosure of a private member's bill sponsored by the hon. member for St. Paul's.

I would like to thank the parliamentary secretary for having raised this matter, since any time that this happens, it is, as he said, a very serious matter, particularly when it involves the privileges of members.

It is indisputable that it is a well-established practice and accepted convention that this House has the right of first access to the text of bills that it will consider.

In response, on the same day, the hon. member for St. Paul's rose in the House and apologized for having inadvertently posted the bill in question on her website in advance of the House having been privy to its contents. In fact, she stated that she would “never do anything purposely to go against the rules of this place”.

As it is also a long-standing practice in this House for the Chair to accept the word of hon. members and indeed their apologies, I now consider this matter to be closed and disposed of.

* * *

POINTS OF ORDER

MOTION TO CONCUR IN SEVENTH REPORT OF INDUSTRY, SCIENCE AND TECHNOLOGY COMMITTEE

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I rise in response to a point of order that was raised by the Parliamentary Secretary to the Leader of the Government in the House of Commons last Thursday regarding two motions that were before the House last week. One was a concurrence motion by my colleague from Windsor West on a report from industry committee; the second was a supply day motion by the official opposition. The parliamentary secretary's argument was that the rule of anticipation applied to these two motions.

Although we had started the concurrence motion, we had not completed it. In fact, we still had a little better than an hour and a half to go before the debate would have been completed and the motion put to a vote. The parliamentary secretary argued that it should be ruled out of order because the same issue had been dealt with in the official opposition's supply day motion. That is the factual situation.

I was a bit disturbed by the parliamentary secretary's argument. He quoted selectively from O'Brien and Bosc, leaving the clear impression, at least to me, that the rule of anticipation was a standing rule of the House.

The reality is that it never has been a rule of the House, and this can be found on page 560 of O'Brien and Bosc. It is a rule in Westminster, but it has never been one here. When attempts were made to apply it in the past, at least in one circumstance, it was determined that it did not apply, as O'Brien and Bosc specifically state. In the other times, its application was inconclusive.

A debate was going on when the rule was applied initially. Questions were being asked in anticipation of a supply bill that was to come later in the day. Initially the Speaker ruled the questions out of order because debate was anticipated later in the day.

Government Orders

As a result of a 1997 ruling that was surprising to a number of members of the House, the issue was referred to the Standing Committee on Procedure and House Affairs. Mr. Marleau was asked to attend and he made certain representations to committee. As a result of those representations, a report went back to the House, and subsequently the Speaker ruled that questions of that nature were applicable, and that the rule of anticipation was not. And so it was allowed to go ahead.

We are not dealing with the same factual situation here. We are dealing with two separate motions, one being a concurrence motion from a committee.

In that regard, Mr. Speaker, it is important that you take into account that in 2004 changes were made to the Standing Orders of the House. The change with regard to this particular motion makes it clear that a concurrence motion is one on which the House is guaranteed a vote. The rule provides for that. It applies to the factual situation we have here. It carries more weight than what is really a nonexistent rule.

One might be able to argue that the rule of anticipation could have some application in the House, because we often draw on precedent from other Parliaments, Westminster in particular. But when we have a specific rule, as we do here, that guarantees the House the right to vote on a concurrence motion on the work done in a committee, our rules govern and they are clear.

My argument, Mr. Speaker, is that, if you have to choose between the Standing Order with regard to concurrence reports, including the right to vote on them, and a rule of anticipation that arguably does not exist, except in one area, I believe you should apply the Standing Order that allows us to have the debate and the vote on a concurrence motion.

• (1540)

In summary, the position we are putting forward to the House today is this. We have already had the ruling that questions in the House are not barred by the rule of anticipation. We believe that if you make the ruling we are proposing, that motions, whether they originate from private members or the government, are not precluded by the rule of anticipation.

However, in our view, if two pieces of legislation are identical or very similar, they should not be allowed on the order paper at the same time. We believe that the rule of anticipation should in fact apply to that situation. Otherwise, we would have extended debates, perhaps repeatedly. A bill could be put forward, defeated, and then brought forward again and again. The House could end up being tied up forever on it. There are good arguments for applying the rule of anticipation to bills but not to questions or motions.

The Speaker: I thank the hon. member for Windsor—Tecumseh for his remarks. I will take them under advisement as I have with the parliamentary secretary's submissions on this point and get back to the House as quickly as I can, given the urgency of this matter.

GOVERNMENT ORDERS

[English]

STANDING UP FOR VICTIMS OF WHITE COLLAR CRIME ACT

The House resumed consideration of the motion that Bill C-21, An Act to amend the Criminal Code (sentencing for fraud), be read the second time and referred to a committee.

The Speaker: When the debate concluded on this matter the last time it was before the House, the hon. member for Moncton—Riverview—Dieppe had the floor and had completed his speech, but there are 10 minutes allotted for questions and comments consequent on his speech.

I therefore call for questions and comments. The hon. member for Elmwood—Transcona.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, a question came up this morning about what the government is doing to recover money from tax havens around the world. There is no action at all on the part of the government. In fact, the government basically gives an amnesty to people with money in tax shelters who come forward and report their ill-gotten gains. For example, last year a Liechtenstein bank employee turned over tax records to the German government, and 100 Canadian names filtered back to Canada. That is how we found out about it. Just the other day, there was an article in the *Globe and Mail* in which a Swiss bank employee was reported to have turned over computer discs resulting in about 1,800 Canadian names being forwarded to Canada. Once again, I believe the amnesty applies.

The government is not doing anything concrete to try to shut down the tax havens. In fact, it is negotiating free trade deals with Panama, which is a known tax haven, having over 350,000 foreign companies doing business there. Mexican drug dealers are laundering money through Panama. Meanwhile, we are working on trade deals with the Panamanians, when Conservatives should be doing something to shut down these tax havens and collect from Canadians who have money in them.

• (1545)

Mr. Brian Murphy: Mr. Speaker, we were talking about tax havens during the debate, but this bill does not have anything to do with tax havens. It would be nice for the government to take action on tax havens, but I am not sure that is the domain of the Criminal Code.

However, the member and other members of his party are absolutely correct and relevant in respect of the lack of prevention measures. Where are the preventive tools to deal with fraud? Surely the government, in other bills that might come before the House, could come up with methods to attack the fraudsters. As the law newsletter from Miller Thomson, a firm I have never been associated with and am not advertising for, says, the three big names in Canadian fraud, along with Earl Jones, would not have been affected by this bill.

Agreeing somewhat with my friend, I ask: when is the government going to tackle fraud in a serious way with all the resources it has at its disposal?

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, prior to question period, my colleague had gone into a great deal of analysis of the difference between general fraud and white collar fraud in terms of the kinds of people who are victimized. People are victimized through their inability to understand the technology. Organizations are defrauded by very unscrupulous and skilled individuals. He also said just now, as he had repeated before, that there is not enough emphasis on prevention.

What I wonder about, and I think the House would be interested, is if those who benefit from the proceeds of crime knew in advance that the full spectrum of law enforcement and the judicial system would come hard on them, whether it is a tax haven or wherever the proceeds were, they would not be able to count that in the future as part of their ownership.

Does this bill come anywhere near to talking about the proceeds of crime, and if it does not, should that be elevated in terms of the committee's understanding and perhaps recommendations brought forward in that respect?

Mr. Brian Murphy: Mr. Speaker, if anybody in this chamber knows about community it is this member. He has served as chair of the greater metropolitan area of Toronto. His father was the mayor of York. This man knows community.

Crimes of fraud touch all aspects of age, gender, location, geography, et cetera. What this bill does not do, anymore than the existing law, is crack down specifically on the greatest fraudsters.

I want to answer my friend's question. There is not enough attention paid to specific fraudsters here. In these cases that have been pointed out by law newsletters, regarding Earl Jones, Stan Grmovsek and Vincent Lacroix, the penalties meted out were well in excess of the two-year mandatory minimum that is in this bill. In other words, the existing law gave sentences variously of 14 years for Earl Jones and 39 months for Grmovsek, and led to in that case, under the existing code, the disgorgement or return of \$8.5 million.

We ought to be considering what the United States does with respect to the control of assets and the control of money, because at the end of the day, the victims want their day in court. They want to see sentences, but also, and maybe primarily, they would like to have their money back. This bill does nothing towards that, so we ought not to raise false hope in my community or in the member's community that this is a panacea. It is not.

● (1550)

Mr. Jim Maloway: Mr. Speaker, while Earl Jones made off with \$50 million, Bernie Madoff made off with \$65 billion. In fact, it is well documented that as long as 10 years before Madoff was caught, Harry Markopolos was working at the time for Rampart Investment Management in Boston and he was asked by his bosses whether he could duplicate Madoff's strategy, because, of course, they wanted to do the same thing and follow his strategy as to how he could make money consistently.

Markopolos was able to prove within a half hour that this could not be done. There had to be at least one month in a year that a fund would lose money. He just could not make money every year. He reported it to the Securities and Exchange Commission on several occasions over a 10-year period before they took action.

Government Orders

The question here is, where are the regulators? Why do regulators keep hiring people from within the industry who are friendly with people in the industry and are simply regulating their old friends? We have proven that regulation of friends does not work. We need more of an enforcement approach to regulation, a police force type of approach to regulation, as opposed to self-regulation by industry insiders.

I would just ask the member whether he has any comments about that.

Mr. Brian Murphy: Mr. Speaker, I agree that the regulators have primary due diligence control over many of the frauds, but not all fraud comes from the markets.

However, the three biggest incidents recently have been Vincent Lacroix, who got 13 years; Earl Jones, who I think got 11 years; and Stan Grmovsek, who got 39 months. The biggest problem with this bill is that they were treated by the law that exists probably no different from the way they would have been if this bill were law.

This law was delayed because of prorogation. Therefore, for the year or two that it has taken to get the bill this far, and by the end it is going to be three years, we have seen about \$10 million more fraud committed per year, while the government did nothing.

When I say they did nothing, they brought a bill forward and then prorogued Parliament so it did not become law. That legislation, which was Bill C-52, or this one we are speaking of, Bill C-21, does not do enough either. It perhaps gives people a false hope, if they watch the six o'clock news in Conservative ridings, that the government is doing something about white collar crime. It is not very much.

They might really be just beating up on judges, taking away discretion and making sure they look at things as though they were schoolchildren, and judges are not, when in the history of the three cases I mentioned, the perpetrators, the fraudsters, were treated very severely under the existing law, more severely than this law indicates. As the old saying goes, where is the proof in the pudding of this legislation?

Hopefully we can get it to committee and we can have a broader discussion of what needs to be done to attack white collar crime and get out and address the issue that all parliamentarians care very much about.

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I am pleased to speak to Bill C-21. I listened carefully to what my colleague from Moncton—Riverview—Dieppe in New Brunswick was saying, and I totally agree with him: Bill C-21, which was previously Bill C-52, is pure improvisation.

Government Orders

Let me try to dissect this bill in the few minutes I have left. In September 2009, roughly a year and a half ago, there were the Norbourg and Earl Jones cases and other similar cases. The government told us that these were separate and specific cases, that the law would take care of them, and that it would not get involved. Finally, the government intervened on October 21, 2009, by introducing Bill C-52, which, following prorogation of the House, became Bill C-21. If the government had not prorogued the House, this bill likely would already have been studied, amended and brought into force, and white collar criminals might have received longer sentences than those provided for in the act.

This bill imposes a minimum two-year sentence for fraud in excess of \$1 million. Something does not add up. The Bloc Québécois will vote in favour of referring this bill to the Standing Committee on Justice and Human Rights. I would advise the government not to push us into passing this bill quickly. We will probably change it considerably to have it reflect reality more than it does right now.

We had already started asking the Minister of Justice questions about this, but he was unable to cite case law with sentences of less than two years for fraud to the tune of \$1 million. Something truly does not add up.

Let us explain this to those watching. The government wants to crack down on white collar criminals. Who are these people? They are extremely well-informed criminals who know exactly how the system works and how to set up businesses in order to defraud individuals or take money away from them.

It is much easier to talk about armed robbery. Someone walks into a bank, credit union or convenience store with a loaded or unloaded weapon to commit theft. When the time comes to sentence that individual, the crime is more visible and it is much easier to prove that the crime was committed. White collar criminals on the other hand defraud people by making promises and asking for their money. They might guarantee annual returns of 5%, 10%, 15% or even 20% or more. They have a flair for attracting people. They tend to be smooth talkers. They can create a financial system that borrows money from one person to pay back another, and so on. This leads to cases like that of Earl Jones or Norbourg.

This has to stop and the message must be clear. And a minimum sentence for fraud over \$1 million will not solve the problem, because clearly, prison sentences are also given in the case of fraud over \$1 million.

• (1555)

Despite extensive research, I do not know of any sentences handed down for fraud over \$1 million that did not include jail time. That does not exist. What is needed are prison sentences for criminals who defraud people of \$100,000, \$200,000 or \$500,000. Now that would be a start. But do we need to add that in a bill? This is where I have a problem with the Minister of Justice. I do not know who his advisers are, but I am convinced that those around him forgot to tell him about section 718 of the Criminal Code.

I have a few minutes and I do not want to put anyone to sleep, but this is important. When we are preparing bills of this nature, it is important to know where we are coming from in order to know

where we are headed. What does section 718 say? It has to do with guidelines for judges:

The fundamental purpose of sentencing is to contribute, along with crime prevention initiatives, to respect for the law and the maintenance of a just, peaceful and safe society by imposing just sanctions that have one or more of the following objectives:

- (a) to denounce unlawful conduct;
- (b) to deter the offender and other persons from committing offences;
- (c) to separate offenders from society, where necessary;
- (d) to assist in rehabilitating offenders;
- (e) to provide reparations for harm done to victims or to the community;—I will come back to this in a moment— and
- (f) to promote a sense of responsibility in offenders, and acknowledgment of the harm done to victims and to the community.

After reading this, we see that it is all right there in the Criminal Code. What does the Bloc Québécois want? It does not want mandatory minimum sentencing. That solves nothing, as we know. We have the proof; it has been settled and everyone knows it. We have studies that prove and confirm that mandatory minimum sentences do not reduce crime.

I will repeat it for the interpreters. I am sure that they interpreted all that very well but I would like my friends opposite to get it completely: mandatory minimum sentencing does not solve the problem of crime. This is not coming from us, but from studies by the Department of Justice, Public Safety Canada and especially U.S. studies. We know that our friends opposite like to boast that they are tough on crime, just like the Americans. However, the Americans are beginning to realize that it solves nothing. It solves nothing in Australia, Great Britain or New Zealand. It has been proven in black and white.

Paragraph 718(e) of the Criminal Code provides for this. I will read it again because there is one small thing they have failed to understand:

- (e) to provide reparations for harm done to victims or to the community;

There is nothing in this bill. We will tackle it when the bill goes to committee.

In addition, the bill maintains the infamous provision for parole after serving one-sixth of a sentence. We would have expected the government to immediately remove that from a bill like this.

Right now, we have the perfect example of a man who was convicted. His name is Mr. Lacroix, of Norbourg. He defrauded his victims of \$130 million. He received a sentence of 13 years in prison. He is eligible for parole after he serves one-sixth of his sentence, so 13 years divided by six. I can announce that he has already been released. Yes, he is out of prison. He defrauded his victims of \$130 million, and his victims are either bankrupt or dead. Yes, some of them have died. And the same thing will happen with Earl Jones. Earl Jones defrauded his victims of \$55 million. He just pleaded guilty and was sentenced. He is eligible for parole after serving one-sixth of his sentence. We need to get rid of that. It is urgent.

The problem is not to impose minimum sentences. We have always said that, and we will repeat it, because the members opposite do not seem to understand.

Government Orders

●(1600)

The public no longer has faith in the judicial system. They are not shocked by criminals receiving minimum sentences; they are shocked by the fact that the criminals do not serve those sentences. When someone is sentenced to 13 years in prison, the public expects that this individual will at least spend some time in prison. White collar criminals are eligible for parole after serving one-sixth of their sentence, and they generally do not have a criminal record, as we can see from research statistics. These individuals are not highwaymen; they are well-organized fraudsters.

According to our correctional services, this means they are not dangerous and there is little or no risk of them reoffending. Therefore, they are released after they serve one-sixth of their sentence. That is what shocks the public, and that is what is not in this bill. We would have expected the bill to abolish the principle of granting parole after one-sixth of the sentence has been served. We will have to see if it is possible to include this measure.

What is more, this may send the wrong message. The courts already consider the penalties. We need to stop instructing judges to impose minimum prison sentences. These honourable judges, whether presiding over the initial hearing, the Court of Appeal or the Supreme Court, have always said that they do not necessarily need a guide for imposing minimum prison sentences. Everything is already set out in the Criminal Code. They would rather have us tell them if this crime, because of its severity, deserves not a minimum prison sentence, but a longer one.

The government is not using this bill to deal with the issue of tax havens. My colleague, the member for Hochelaga, who is also the Bloc's finance critic, can come back to that in another plea, if I may use that expression.

Computers have made it easy to transfer money electronically these days. A well-organized fraudster can, with the click of a mouse, transfer tens of millions of dollars to places that our federal government has agreed to recognize as tax havens, such as Barbados or the Cayman Islands. We are just starting to discover that many of them are choosing Switzerland, and if it had not been for the HSBC Bank and, more importantly, an individual who left with more than 100,000 names, we never would have known that thousands of Canadians have accounts in Switzerland.

I do not have a problem with someone having an account in Switzerland. However, you need a minimum deposit of \$500,000 to have an account with the HSBC Bank in Switzerland. That is a problem. I am not saying that people do not have the right to do it, just that the individuals that have money in accounts in Switzerland or other tax havens should have to declare it. They are supposed to do it under the Income Tax Act, but they do not. Despite our requests, the government has not intervened. And God knows that we have asked the government to get involved with the issue of tax havens a number of times. Mechanisms absolutely have to be put in place to address these tax haven kingdoms.

We have suggested several ways to combat economic crime. I would like to read what we have proposed.

●(1605)

We strongly suggest abolishing parole after one-sixth of a sentence is served. Also, the Criminal Code measures to confiscate the proceeds of crime need to be amended to include provisions covering fraud over \$5,000. I am translating, because it must be explained.

Consider the example of someone guilty of fraud worth hundreds of thousands of dollars. What we are suggesting is that under the Criminal Code, if fraud over \$5,000 is committed, authorities could confiscate all proceeds of crime from that individual. So if that individual stole hundreds of thousands of dollars from other people by fraud, we must be able to confiscate that individual's home, country home, cottage, chalet in Switzerland, and so on, in order to pay back the victims. Indeed, that is the goal; there is nothing new here. That is already in the Criminal Code. Section 718 states: "(e) to provide reparations for harm done to victims or to the community". It is clear in the Criminal Code. It would be pointless to add anything to it. We simply need to ensure, with this bill, that such individuals' property is confiscated.

That is important when fraud of this nature takes place. We do not believe in minimum prison sentences for fraud over \$1 million. Harsher sentences are needed, but they are also needed for people who commit fraud under \$1 million. One way of doing this is by including provisions to confiscate the proceeds of crime for all fraud over \$5,000.

We are also recommending that police forces be reorganized to include multi-disciplinary teams that specialize in economic crimes. We currently have multi-disciplinary teams to go after organized crime, to go after child pornography and to go after drug trafficking. It is high time we had this type of multi-disciplinary team to go after economic crimes.

We are recommending that banks be required to report irregularities in trust accounts to the Autorité des marchés financiers, the relevant professional order and the user. Allow me to explain, because I may have lost a few people. Every professional that must and can hold money for individuals—lawyers, notaries or accountants—has to have a trust account. A lawyer who receives a retainer has to deposit that retainer in a trust account and keep a record of that account. Generally speaking, many withdraw money from that trust account and often the banks realize that something fishy is going on. Money goes in and money goes out, and sometimes too much money goes out. We could start doing something about that.

I see that I am running out of time. I would just like to say that we are suggesting that a number of other changes be made to the Income Tax Act. We will be able say more about that in committee.

We absolutely must do two things. We absolutely must abolish parole after serving one-sixth of a sentence. We have to ensure this bill removes that provision because those who commit economic fraud are generally well organized. We also have to find ways to provide restitution to victims in order to fully respect section 718 and subsequent sections in the Criminal Code.

That is why we will look forward to seeing this bill in committee.

Government Orders

•(1610)

[English]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, regardless of the OECD protocols on sharing financial information, which I do not think have been that successful, the fact is that over the last two years it has been a bank employee of a Liechtenstein bank who has simply taken computer diskettes and sold them to the German government, which has resulted in a lot of taxes being collected by the German government and other European governments and 100 names being submitted to the Canadian government. The Canadian government has chased perhaps 100 people for money.

The government has also given an amnesty that if anyone wants to walk into a Revenue Canada office and avoid any problems they can do it. Evidently people have been doing that.

Just recently we heard of another employee of a Swiss bank who gave out diskettes listing hundreds of people, in this case 1,800 Canadians. This information was just made available now and we hope Revenue Canada is doing something to collect some of the taxes that are owed. As a matter of fact, more Canadians were found in this net than Americans. Even with the population of the United States, only 1,600 Americans were caught in this net.

Why must we rely on disgruntled employees of banks to get this information? Why can the government not do things to get this information that Revenue Canada needs?

•(1615)

[Translation]

Mr. Marc Lemay: Mr. Speaker, I agree with my colleague, but there is a very important premise: if we want to stop the bleeding, we must first plug the hole where the blood is coming out. In this case, that hole is the tax havens. If we eliminate the tax havens, if we intervene, monitor them, and tell the Canada Revenue Agency that the deductions are over, there will be no more tax havens. If there are no more tax havens, hundreds of millions of dollars will remain in Canada, and will not be transferable.

I agree with my colleague, but this is very important to us. There are banks in Europe, Switzerland, the Cayman Islands and elsewhere. There are tax havens in Monaco and Liechtenstein, and there are many other places like that in the world. Banking secrecy exists. I am not saying that we need to pressure anyone to eliminate it. We can start here, and that is very important. We should start here, clean things up, and prevent people from taking advantage of tax havens. Then we will really be able to hit white collar crime where it hurts.

[English]

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I want to address the whole issue of tax evaders. It goes to our basic philosophy of justice and law and what Canadian society should be doing, whether it is socially acceptable or not.

As was disclosed last week, we have 1,800 people who are setting up foreign accounts in Switzerland for the sole purpose of avoiding taxes. In my mind, that is just as heinous as most other crimes but it just seems to be accepted by Canadian society, and especially the government which gives them a general amnesty and life goes on.

Tax evaders are not punished, there is no retribution and no sentence. Absolutely nothing goes on.

However, if we hypothetically compare that to two teenagers who were caught last night breaking into a service station and stealing a carton of cigarettes and a small amount of money, what would happen to them? They would go to jail for 18 months or two years. Perhaps they would deserve it but I believe it is a fundamental flaw that the government has in its thinking that these individuals, these very rich billionaires, can get away with what I consider to be a heinous crime with no repercussions at all, no discussion about it and no talk about it.

I would like to get my learned friend's opinion on that whole issue.

[Translation]

Mr. Marc Lemay: Mr. Speaker, I agree to a certain extent with my colleague; however, he has a big problem. I would say this to my honourable colleague. When the Liberals were in power, they did nothing about it. For 12 years, the Bloc has asked the government to monitor and eliminate tax havens.

I agree that as soon as there are allegations about people who evade taxes and use tax havens, we should receive a list. Then we go to those people and tell them that they will be receiving a letter from HSBC Bank. They may have to pay taxes on money they forgot to declare for the past five, six or eight years. However, the fact remains that people still have access to tax havens. Let us eliminate tax havens. My colleague, the member for Hochelaga, will be much clearer on this in his presentation.

We know that these criminals are brilliant. Let us be honest. Those who commit these crimes, these white-collar criminals, are brilliant, superior beings. They know exactly what the ramifications are. They know exactly how to use tax havens. They know exactly how to transfer funds inconspicuously. They cannot transfer \$100 million at once. They might transfer \$1 million, then \$2 million three months later and so forth. That is how it works. The problem is that we are unable to shut them down. The government can monitor money remaining in Canada, which gives it a certain amount of control over fraudsters. However, as soon as the money leaves Canada, the government no longer has control. Canada is losing tens of billions of dollars. That is unacceptable. We absolutely have to do something about tax havens. We have to stop the hemorrhaging. Then we can come back and deal with those who commit these crimes.

•(1620)

[English]

The Acting Speaker (Mr. Barry Devolin): 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 Yukon, Offshore Drilling; the hon. member for Malpeque, Ethics.

Resuming debate, the hon. member for Windsor—Tecumseh.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, Bill C-21 is a reincarnation of Bill C-52. It is important, in terms of the credibility the government has or maybe, more important, does not have with regard to its so-called “getting tough on crime” agenda, to understand the history of this legislation.

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On October 21, 2009, as a result of a number of notorious incidents, the Earl Jones one in Montreal being the more current one at the time, Bill C-52 was introduced into this House. There was a very brief debate on it. There were signals from the opposition parties of a willingness to deal with the issue of white collar crime, which is what it was about.

It went to committee quite rapidly and we had hearings on it in November 2009 and into December 2009. We did not complete it. I would estimate that we heard from 10 to 15 witnesses over that period of time, some giving us a great deal of detail, quite frankly, about the frailty of the legislation but information and evidence that was really necessary for us in our consideration.

We, of course, then had the notorious prorogation. We wonder about the level of integrity at the time that decision was made. The government knew the horror stories and the suffering of individuals and groups in the country. It knew about the need to get serious about dealing with white collar crime.

Without knowing what was going on in the Prime Minister's mind at the time, I would have to say that he probably gave absolutely no consideration to this bill or to that suffering when he made the decision to protect his government from the Afghan detainee issue being continuously raised in this House. He put off the House for an extended period of time beyond what was originally scheduled.

As I think most Canadians now know, when prorogation occurs, the parliamentary agenda is wiped clean. Any bill that is outstanding at that time from the government side is regulated to the dustbin and we have to start all over again, which we did when we finally came back in February 2010.

However, we did not see the bill right away. The new bill, Bill C-21, which we are debating this afternoon, was not presented to this House until May 3 for first reading. It was not put on the order paper for debate at second reading until today. So we lost all of that time through the spring and summer.

It is quite possible that the justice committee may have dealt with it fairly quickly, because of the amount of work we had already done, and had it back to the House for third reading, amended, I can assure members. All opposition parties are quite concerned about how weak the bill is. It is almost useless as it is now. However, we have some real hope, because of what we heard from a number of witnesses and some of our ideas, that it could be strengthened to the degree that it would be worthwhile to pass into law. However, we never got the opportunity to do that until today.

I am certainly signalling, on behalf of my party, as the other opposition parties have, that we will support this going to committee so that we can do something serious about this as opposed to what is contained in Bill C-21.

I have another point to make before I go to the actual particulars of the bill. We have heard that a series of amendments to the legislation are necessary if we are to have any meaningful impact on white collar crime. The government has had all that evidence since December 2009 when it decided to prorogue and knew the bill would go down into the dustbin. It had the better part of 10 months to implement those corrections in Bill C-21 but it did not do

anything. Bill C-21 is exactly word for word the same as Bill C-52. There are no changes at all.

• (1625)

We had some very good evidence. I mean that in the sense of people who knew what they were talking about, as opposed to the government on this issue, and who came forward with very specific changes that needed to be made. Some of it was just cleaning up wording. In other cases, it was implementing meaningful amendments that would have a meaningful impact on fighting this type of crime. Did we get any of it? Absolutely nothing, not one change. Bill C-21 is word for word of what we already had in Bill C-52, which was showing, because of that evidence, to be so wanting.

It is important for those who have maybe not followed this issue, and I do not think there is a lot of Canadians who have not, to set the scene. I want to credit this information from a forensic accountant by the name of Mr. Al Rosen, who came before us with a brief presentation in writing and then expanded on it before the committee, both in his verbal presentation and in response to a number of questions from the members of Parliament, who sit on the Standing Committee on Justice and Human Rights.

He set out by saying that we had to understand where we are at, so he went through a series of the events that we had in the early part of the 20th century. He went back a bit into the latter part of the 19th century, but mostly he dealt with the 20th century. He told us to look at what we had done: Bre-X Minerals, that scandal; Nortel Networks, overstated assets, financial statements, he pointed out, restated four times and then watched the stock price collapse; dozens of business income trusts that in effect were pyramid schemes, Ponzi schemes; and the non-bank asset-backed commercial paper and all of the misrepresentations that went on with that.

At the core, if we look at the financial collapse that has occurred around the globe, that collapse is very much as a result of that asset-backed commercial paper that did not have any assets behind it. I have already made reference to the Ponzi schemes such as the one in Quebec with Earl Jones and the major one in Alberta.

He went on to point out at the same period of time the lack of response, both at the provincial and federal levels, around regulatory changes that would have gone some distance to avoid these losses. He was quite critical of governments in that regard.

He also then went on to point out that there had been Supreme Court of Canada decisions that in effect needed to be corrected. It was the permission that was granted. He made reference in particular to the Hercules management case in 1997. In effect, the court said that it was okay if a person misstated on audited statements, even though they were misleading to the public, would lead shareholders to perhaps buy in when in fact if the real truth were there, they would not have done so. He referenced the weakness in our civil courts when people would go for restitution, the length of time it would take and the long trials when it was large sums of money like this. He also mentioned the lack of prosecution in Canada and pointed out the number that went on in the U.S.

Government Orders

I took that with a bit of a grain of salt when we already had reference to the Madoff situation and any number of other collapses in the United States of major corporations. Although the U.S. has a more rigid and forceful approach to prosecuting, it certainly has not had the effect of deterring major crimes there.

We need to look at that. This is the context that we were dealing with when we first dealt with Bill C-52 and now Bill C-21.

The information in the brief from Mr. Rosen is not secret. It is in the public domain. The Justice Department certainly knows about it. I assume at least some members of the government are aware. One would have, and I certainly know I did, the expectation that Bill C-52 and now Bill C-21 would actually address these problems in a meaningful way. It does not. It is as simple as that.

● (1630)

If I can do a quick summary, this is what it would do. It would introduce a mandatory minimum. The be all end all of all solutions of all crime problems in the world, according to the government, is to slap a mandatory minimum at it, punish somebody. Maybe it would be better if we tried to prevent the crime from happening, in the first place. Anyway it would slap a mandatory minimum of two years for any fraud that is committed over \$1 million.

When we heard the evidence, we heard about the huge number of Ponzi schemes, other fraud schemes, some of these schemes being mail solicitation, phone solicitation, email over the Internet type of solicitor, all of it completely fraudulent. However, more than half of those are under \$1 million. Therefore, that section would not apply. The panacea for everything else will not be applicable for a large number of the white collar crimes that are committed in Canada on a yearly basis.

The Conservatives also have imposed additional burdens on our courts as to how to deal with this. It was quite interesting to see the brief from the Canadian Bar Association. I am sure the Bar Association would be upset if I used the term viciously, but it was a pretty vicious attack on the bill.

I will use this as one of the two or three examples of where the association attacked the bill. It introduced the concept in the sentencing process that if someone were convicted of a crime under this law, there would be a community impact statement. Anyone who practises law in the criminal courts, the first question that will pop out is, what is a community impact statement? We have never had that in the Criminal Code or any other sentencing provisions under provincial legislation. It is a totally new concept.

Maybe the government is being creative here. Unfortunately, it is just about useless because we have no idea what the community is going to be. It does not define that in any way. It does not put any parameters on it, any limits on it. It is not clear if it talks about it in the singular. Could more than one community impact statement be done? We may have different groups that have been impacted by it. It is extremely poorly drafted with regard to this area and a number of others.

I go back to my opening comments about the length of time. The government has had now 10 months when it could have corrected a number of these points, and this is one of them.

I am intrigued with the concept of the community impact statement. I think it is possible that in fact we may be able to develop one that is useful to victims of these types of crimes so the court has a full picture of the impact, not just on individuals but the kind of impact it may have on a community as a whole.

We have seen this a number of times when we have so-called a financial adviser consultant trustee type of person who will swindle money from a significant proportion of small communities, a community that trusts the person, who almost always is a male. It gives him its money on the basis that he will handle it properly. It then has a major impact on that small town or small village because a great deal of money has been taken out of circulation.

We can see where it would make sense to do that. The bill does not make any sense in that regard because it is probably going to end up being fairly useless.

Unless we define more clearly what community groups would be entitled to bring forth that statement, it has the real potential to clog up our courts by making the sentencing process much longer than it might be otherwise if the bill were drafted properly.

One of the other provisions in here, and again it is typical of the government's overreach when dealing with both making up crimes and dealing with them by way of punishment, is for a prohibition order. I have no argument with that, and I think any lawyer who has practised law in the criminal courts would say that, yes, people who commit these kinds of crimes should be prohibited from being able to do that either indefinitely, depending on the size and nature of it, or at least for specified periods of time once they have served time in jail or other punishment.

● (1635)

However, the government did not stop at that. What did was made it impossible. For instance, if I am Bernie Madoff living in Canada and I have stolen \$65 billion, I could be prohibited from ever being a financial consultant adviser again. However, under this bill I would be prohibited, given how broad the prohibition order is, even from being a sales clerk in a grocery store or retail outlet because I would be handling somebody else's money. Even though the extent of the money I would be handling may be \$50 for a shirt, under this prohibition order I would not be able to take that job.

This is typical of the overreach. The Bar Association, I think without being it, were very effectively sarcastic about how badly drafted this was and how much of an overreach it was.

Another provision in the bill is with regard to restitution orders. Here is where we get into the courts perhaps getting backlogged by additional responsibilities. The bill mandates that it is an absolute must if the judge does not make a restitution order, to give a written reason for not doing so.

Government Orders

There are times when it is obvious why a restitution order will not be made. I will use the example again of Mr. Madoff and the \$65 billion. The guy is completely bankrupt. He is ill, or I understand there is some concern with his health. He is quite elderly and he has no opportunity to ever make restitution.

If one is going to make a restitution order in our courts, there must be some basis for doing it. A judge cannot just say that Mr. Madoff has stolen \$65 billion and he has to pay it back. There has to be a basis upon which to show that the judge has looked at the financial circumstances and the ability to earn income in the future and order an amount in a restitution order.

That takes time. It takes the time of police officers because they have to investigate. It takes the time of the prosecutors because they have to present that case. It takes court time as the judge is considering the evidence being put before him or her when it is obvious that a restitution order is meaningless and should not be wasting court time and the time of those professional people in doing it.

Again, this is very badly drafted legislation. There are other parts of the restitution order provisions that simply do not make sense in terms of any quality of legislation that the House or the government should pass, but they have in fact done that.

It is quite clear, mostly because of the Earl Jones case and the pressure for which I will give credit to my colleagues from the Bloc Québécois, my colleague from Outremont, parliamentarians from that province and from the legislature in Quebec City, that something has to be done. Earl Jones was just the epitome of it and we could not just sit on our hands any more.

Rather than deal with it at that point, what did the government do? We could understand that because it was under political pressure, it could come forward with a lousy bill, which we could clean up at the committee. When it got to the committee and we had the evidence and solutions for a number of the issues, what did the government do? Absolutely nothing. It came back to the House and presented the same bill again.

I want to make one more point around the regulatory functions that need to be cleaned up both at the provincial level and at the federal level. There is a lot of preventative work that could be done in this area if the government got at it.

The other thing is with regards to enforcement of our laws. We need much more effective teams of specialists that can fight white collar crime, identify it and prosecute it effectively. We do not have those teams in place at this point. The government should be moving on that.

• (1640)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I am sure the House would agree that the member has a very intimate knowledge of how the Criminal Code works, as a lawyer. I have always taken his experience and have attempted to ask questions that would perhaps allow a layperson to understand better how the Criminal Code works. My question is related to that.

I think the member can appreciate how frustrating it must be to those who are victimized by these white collar bandits who are so

skilful in defrauding very innocent people. What compounds that even more is that they get away with it, that they have assets that are hidden, and the fact that in this bill, restitution where possible is required and a judge has to say why he or she is not making a motion for restitution. I am sure the member can feel the frustration on the part of those who have been defrauded.

Is there any way this bill could be strengthened with respect to the proceeds of that type of crime for those who have been successfully prosecuted, so that through a judge's order, the resources are there to exact that money back and repay it to the people who have been defrauded?

Mr. Joe Comartin: Mr. Speaker, in fact we were discussing this right at the point when the House adjourned in December of 2009. I do not think we actually got any of this on the record of the justice committee. We were discussing it, the opposition parties in particular, and there was a strong feeling that in looking at the proceeds of crime sections that deal with organized crime, we should expand the definition of organized crime to cover this, because a number of these schemes in fact are organized and should fit into the definition of organized crime. We have not been using those sections, perhaps because the prosecutors are worried that the definition is not broad enough to catch them.

Therefore we should either expand the definition of organized crime to cover white collar crime of this nature or simply allow the proceeds of crime sections to be used in these circumstances, both at the federal level and the provincial level. Quite frankly, the provincial level has been more effective in gathering proceeds of crimes for victims than the federal government has been.

There is one of two ways of doing it, or maybe both, and that is something that needs to be considered. It obviously was not addressed at all when the bill was drafted. There had been some suggestions from some of the witnesses. The government did not pick up on them at all.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I wanted to take a moment to join in this debate. I appreciate the comments from my colleague from Windsor. I too learned a great deal about not only the process through which this bill found its way back again to us but also some of the issues they have been wrestling with at committee, which would in fact perhaps have benefited this bill had the conclusions they came to found their way into the bill.

The point I would like to ask him to expand upon is one that has come to my attention as a labour leader, and that is that more and more often, we have to admit that white collar crime is in fact a blue collar issue. Over 60% of all the trading on the New York Stock Exchange, the TSE and the NASDAQ is actually employee benefit plans, investing and reinvesting workers' money on the stock exchange.

Government Orders

In a funny kind of way, unions' pension plans and benefits plans are the most powerful stock of venture capital or capital or investment in the world. An odd kind of thing has happened. It is like Marxism realized. We have taken over the means of production without a single shot fired. We have bought and paid for it with our own benefit plans. It is a beautiful thing, when we think about, but the vulnerability is there. What I want my colleague to talk about is that perhaps it is going to take a great deal more training for the trustees of these multibillion dollar benefit plans.

My own union is a small union, the carpenters' union. It has a \$40 billion pension plan, and the trustees have to be aware of the vagaries of the marketplace, above and beyond, in a way like never before. First of all, there are the fiduciary responsibilities and obligations associated with being a trustee. One cannot just take a guy off the shop floor and put him in charge of a \$40 billion pension plan. There is also the vulnerability of it to the new generation of white collar criminal who could eat it away.

That is what I mean by the blue collar side of white collar crime, on which I would like my colleague to expand.

● (1645)

Mr. Joe Comartin: Mr. Speaker, it is certainly a very valid point. I want to point out to my colleague from Winnipeg Centre that he should not forget about the Canada pension plan, which is actually the biggest fund in the country currently.

Mr. Pat Martin: It's \$140 billion.

Mr. Joe Comartin: Mr. Speaker, it is \$140 billion. My friend knows the amount.

There is no question. I would hate to think of the labour movement and workers generally as being raving capitalists. They are not. They would be much more prudent if they were doing the advising.

I will take issue with him about the need for bringing people off the floor and letting them make decisions, when we look at some of the fiascos that came out of the most recent financial collapse. These so-called experts got taken in by the asset-backed paper that did not have any assets behind it, by using regulatory assessments of these assets and valuing them, clearly not understanding them.

I sometimes think it might be better if we simply had the honesty and integrity of the average worker making those decisions, maybe having people explain to them how the system works. The common sense we would get from the average worker might go a long way to preventing the kind of abuse we have seen in the last round as stock markets collapsed.

I want to make one more point. There is no question that this hurts people badly. We have seen Nortel workers showing up constantly both here and at Queen's park in Toronto. When one actually talks to them, one hears their pain. It is a two-parter. It is not only the financial loss they have suffered but all of the negative consequences that is going to have, including the loss of health benefits and the impact on their personal health.

I argue with them not to think this way, but I know it happens. I know from having clients over the years who have suffered as victims of these schemes. There is guilt that goes with it. It is

unfortunate that is the case, but it is one of the side products of these types of crimes and one that really should push the House even more to make sure preventive and punitive programs are put in place that will put an end to it.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the member knows that in the United States the Americans put away more than 100 embezzlers from WorldCom and Enron and Conrad Black. On the other side, the Canadian experience is that we have put away almost nobody in this country. Yet the Americans still had the experience with Bernie Madoff getting away with \$65 billion.

At least the U.S. has moved to re-regulate, to reverse the period of deregulation under the Republicans for the last 8 to 10 years. They are at least taking the issue seriously in the United States now and attempting to re-regulate. Even though it had a better system than Canada and was more effective in putting people in jail, it still allowed a lot of abuses. It is time Canada caught up, rather than falling further behind the United States.

Mr. Joe Comartin: Mr. Speaker, I certainly agree with his analysis of what happened in the United States both in terms of the U.S. prosecuting much more forcefully than Canada has and, at the same time, allowing the regulatory function, which is really about prevention, to be diminished. They are putting it back in place and we need to be doing the same here in Canada.

We need to get more aggressive. We need to put the units in place that can do the investigation and guarantee that we are going to get convictions in both cases. We heard from the United States and they know how to do it. They just do not have the staffing and resources to carry it out.

● (1650)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am pleased to intervene on debate on Bill C-21. I don't think I had the opportunity in the previous session.

What I first thought about the bill, I will be honest, was that the government was approaching the Criminal Code and its need for occasional reform as a kind of a smorgasbord. One time it would take a section over here and fix it up and then take another over there, and by the time we are finished.... I think our order paper shows a number of Criminal Code amendment bills at this time.

I thought it is taking a lot of parliamentary time and it is a lot of procedure. Why did the government, if it wanted to make some Criminal Code amendments, not put them all in one bill? We could have debated it and dealt with it that way.

Government Orders

The government chose not to. I thought it was for political reasons and I still do. However having viewed the process, I see that it actually gives the House an opportunity look at each of the bills more closely. Sometimes that is scary and sometimes that is helpful. At least it gives us extra time to debate. If the government had a Criminal Code amendment bill with 10 or 20 components, most of us would be unable to address most of the components, if we wanted to.

Looking more closely at each of the bills will probably tilt toward a better product. Perhaps a bill with more scrutiny has fewer problems down the road and is less likely to encounter difficulty in the other place, should the Senate pick it apart, and is more likely to be successful in the real world when the police and the courts deal with the new legislation.

This particular bill deals with sentencing for fraud, and it modifies the Criminal Code provisions related to fraud convictions. My party is supporting this in the context that a bill of this nature was probably inevitable over time.

If we look back over recent history, we wonder why something like this had not come forward sooner, but looking at the evolution of fraud crimes we also have to look at the evolution of financial services. If we look back at it, we can see how complex the evolution has been since the second world war.

I was not here then, happily, but before that we had basically cash and cheques, some kind of a postal money order and bank money orders. That was a simple financial world. However since then, this has proliferated. We do not just have cash, cheques and money orders. We have credit cards, debit cards, ABM cards and cash cards that actually hold a cash value and we can spend the cash value. There is a whole area of financial species that a fraudster could focus on.

We also have a whole new world of online Internet financial transactions. We even have online gaming, charities online, fake charities online and shopping online. In the world of securities we have stocks, bonds, GICs, T-bills, life insurance, pension plans and pension plans that are self-administered. All of these are financial envelopes, many of which did not exist 50 years ago, where the bad guy is still out there trying to get a piece of the action.

● (1655)

Even in our own federal financial envelope we have RRSPs, home ownership savings plans, RESPs, RRIFs, savings accounts, chequing accounts and all manner of other investment accounts. The average person might be forgiven for getting lost in this whole area of financial expansion.

In addition, the world of finance has gone global. It is not just bad guys here but it is bad guys internationally. The financial world has expanded in a huge proliferation.

In addition, something that happened somewhat slowly, which we did not notice, was that since the second world war we have all become a lot more wealthy. We in this country take for granted the wealth that we generated. The GDP per person has gone up, if not exponentially, very favourably. Canadians are much wealthier than they used to be.

These trillions of dollars of wealth, financial transactions by individuals, corporations, government and charities, have increased the opportunity for those who would steal from us to go ahead and do it in many different ways.

Fraud is essentially the criminalization of the old tort of deceit. Fraud is when someone intends to enrich himself or herself by taking money from another individual by deceit. That was the simple concept of fraud. However, with the backdrop of this proliferation in financial services and wealth and globalization and inter-con activity enhanced by the Internet, that basic law of fraud has stayed the same.

Although we are proposing an amendment now dealing with the sentencing for fraud, it would not surprise me at all that we would see a further change in how we approach some of the crime in the area of financial services shopping because it is quite likely that the bad guys who are doing this now will continue to do this and will find ways to disrupt and steal from innocent Canadians.

In the bill, there is reference to a restitution procedure. It has been in the code as a sentencing option for some time now. It is not used frequently but it is used. Bill C-21 contains a restitution procedure and some forms that are contained as a schedule to the bill, by which a victim of this type of fraud can ask the court for restitution. I have some concern about this. I am not suggesting that it will not work but it may have some break in problems.

The first issue that I want to flag for the consideration of members both here in the House and on the justice committee is that the reference to restitution in the courts under this bill does not really say who would be in charge of the process. It does not say that the crown prosecutor would be in charge of this process. It just seems to say that if someone wants restitution, he or she will need to fill out the form and send it in.

● (1700)

Our criminal courts are not used to this. I am not saying that this will happen but I have this vision of a criminal court starting to act like a small claims court. The prosecution is complete, there is a conviction and then the judge turns to the clerk and asks whether there are any requests for restitution. The clerk will say, "Your Honour, we have 728 applications for restitution, totalling \$1 million."

Of course the judge has spent his or her career convicting people, not as an accountant. Judges do not have calculators on their desks. They do not have the time to go through 728 restitution applications. So there is an administrative function here. That was the second point.

Third, there is this restitution function and an application form of sorts. It is a fairly brief application. There is nothing wrong with it. It is kind of short and simple. It does raise the expectation of the victim, who may be one of many, that he or she will get restitution because he or she has been invited by somebody to fill out the form and send it in the judge. The judge has the form, the form is filled out and it says that \$7,528 is what this guy stole. It raises an expectation that the court will be able to deal with this.

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I do not think that criminal court judges would be ready for that, although some of them have handled restitution orders previously, but it will need a kind of a management system. In fairness, the federal government does not manage these courts. It is done by the provinces. Therefore, the provinces will need to generate some system. They will need to hire somebody who will to understand this and manage all of these forms and requests for restitution that come in.

While it is certainly part of the Criminal Code, it will fall to the provinces, the crown attorneys, the court clerks and the judges. I am pretty sure the judges will resist the criminal court becoming a small claims court or the equivalent of it. They will say that if they want to do small claims court stuff in the criminal court, then they should bring in a small claims court judge.

I do not know if that will happen. We will wait and see. I wanted to flag that and the higher expectation that might be there on the part of the victim that he or she would receive restitution simply because he or she followed the rules, filed the form, put in the amount and are hoping the judge will give them an order.

Last, I will deal with the restitution exercise. I hope the Department of Justice will be able to describe at the committee hearings the impact of a bankruptcy or likely bankruptcy on the whole restitution procedure or on the order. Will a concurrent or subsequent bankruptcy mean that the restitution orders are worthless? If they are worthless, it is probably not worth the time to spend a whole lot of administrative hours, court time and the judge's time sorting out the restitution if, in the end, there is a bankruptcy.

At some point, someone administratively will need to identify some assets or an asset that could produce a recovery for the restitution claimants, that issue of the relationship between the restitution order and a concurrent or related bankruptcy.

Also, and this is really a bankruptcy issue, which is federal, but let us say that the crook has transferred some of these assets or the proceeds of the assets into the name of a relative. What jurisdiction does the court or the judge have in relation to those asset transfers or the hiding of those assets in the face of a restitution order?

● (1705)

One of the members spoke earlier about this getting very close to some of the organized crime sentencing procedures and proceeds of crime legislation that already exist on the books.

I do not know whether these aspects have been sorted out or whether the provinces and the crown attorneys who will need to administer it have been consulted on this. I am not objecting to restitution orders but this legislation seems to be importing a fairly conspicuous wholesale procedure. We know that in some of these cases the frauds can go into many millions of dollars with many people being hurt. While the new sentencing provisions are intended to target the big-time fraudster, the million dollar threshold is described in one part of the new law, I think there may be a learning curve here, if I can put it that way, and possibly there may be further legislation needed if the courts are going to get seriously into the restitution procedure.

Another of our colleagues was good enough to mention crime prevention, as my colleague from Moncton—Riverview—Dieppe

did. This legislation deals with the crime and the effects of the crime after it has taken place. It is closing the barn door after the horse has left. While there is a role for that, while it is drawing a line in the sand for our society, there is nothing in the statute that appears to reach out and deal with some kind of prevention of crime in the first place. It does not get out in front.

As a society, I think we will need to invest a bit more in crime prevention. If we can cut some of these massive frauds down by half, one-quarter or one-third, that would be worth it, but we need to invest institutionally in methods, which means looking to our securities regulators, bank regulators, chartered accountants, lawyers, real estate brokers and mortgage brokers. Most of these organizations self-regulate and we need to look to them. I am not too sure about the process but somewhere in that administration and regulation of those professions and institutions we will find some ways to spot a big fraud early.

As members know, many of the big frauds do not actually start out as big frauds. Many of the big ones started as quite small and then, once the mistake was made or the money stolen, however small it was, more money is taken to infill and to hide and it grows. It gets to the point where the crook, who may not have set out to be a crook in that sense, ends up robbing Peter to pay Paul and moving all kinds of money around and harming so many people. If our regulatory mechanisms could spot some of this in the early stages, it would go a long way.

I recall in Ontario a very sad case of a guy who was selling fake franchises. Even though that is provincially regulated, a way has not been found to prevent that kind of fraud. However, at the end of the day the principle of *caveat emptor* must remain. The buyer must beware. We must ensure our citizens are educated, sensitive and wary of these kinds of things. That type of public education is very valuable.

● (1710)

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, I am pleased to speak today to Bill C-21, An Act to amend the Criminal Code (sentencing for fraud).

Generally speaking, the bill makes five new amendments to the Criminal Code. First, for persons who commit fraud over \$1 million, it provides for a minimum sentence of two years. Second, it adds four aggravating factors for various types of offences involving fraud over \$1 million. Third, it also creates a new discretionary prohibition against employment. Fourth, it allows judges to order restitution at their discretion. Fifth, it provides for a statement called a “community impact statement” to be considered.

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At first glance, all these measures may seem laudable, but that is a mere smokescreen. The content of this bill lacks forethought in spite of the fact that it has been introduced in this House twice. The first time, it died on the order paper when the Conservatives prorogued Parliament at the instigation of the Conservatives. Prorogation, which we roundly criticized, has not produced any improvement in the Conservatives' bills. If this is the best they can do, it is cause for concern.

For example, take the new two-year minimum sentence to be imposed for general fraud over \$1 million. My party and I have spoken at length about this already. Minimum sentences upon minimum sentences are not particularly useful. They have no significant effect on criminals' behaviour. Moreover, a minimum two-year sentence for fraud over \$1 million amounts to reducing the sentences currently being imposed. When we questioned the Minister about this, he was unable to cite a major fraud case where the sentence was for fewer than two years. At this time, sentences are more on the order of six to seven years for major fraud cases. So why would we set a minimum sentence of two years for cases of fraud over \$1 million? That is the question.

With respect to the aggravating factors that will supposedly be added once the bill is passed, they are already considered by the courts. The Vincent Lacroix ruling, for example, lists those factors point by point. Sure, putting aggravating factors that already exist down on paper is another way for the Conservatives to look good, but it will not really produce any concrete results. Since the Conservatives came to power, we have got used to this way of doing things.

Like my colleagues, I am going to resign myself to voting for this bill in principle, but only so that the committee can improve it. The Minister has completely missed the mark by tackling economic crime this way. A number of points are not addressed in this bill. For example, release after serving one-sixth of the sentence has not been eliminated. This means that people like Earl Jones and Vincent Lacroix could get out of prison even before serving a reasonable portion of their sentence. Before setting minimum sentences, we need to start by limiting speedy releases for people who deserve harsher sentences.

I would like to take this opportunity to talk about one of my constituents who was the victim of fraud. I will thereby demonstrate the many flaws in Bill C-21. This person sought help from my offices in Compton—Stanstead. They had RRSPs amounting to several tens of thousands of dollars. At a meeting of investors, the person met several financial planners who subsequently advised the person. They had the person withdraw their RRSPs and then invest in various ways. A little while later, the constituent in question could no longer find the money from their RRSPs. The planners had defrauded them. Not only was this person defrauded, but on top of that they owe a significant amount of money in taxes for withdrawing the RRSPs.

• (1715)

This person was retired. And I do mean "was" retired. They now have to go back to work to repay the money owed to the government, while the looters are still at large. The money belonged

to this person. It had been saved over several decades of working. How is this bill going to help this person?

This bill would not even apply to their situation. This person has lost several tens of thousands of dollars. That is a long way from the \$1 million fraud cases covered by Bill C-21. The kind of situation I have described happens more often than one might think. So why would we limit ourselves to fraud over \$1 million? We have to go after the big thieves, but we also have to go after the little ones who have more victims.

To illustrate further, let us say that this person lost \$1 million. Will a minimum prison term help this person get their money back? No. However, if the looters can be found someday, then yes, they might get a minimum of two years in prison. But as I said earlier, the sentences currently being imposed are on the order of six or seven years. The same is true for the aggravating factors proposed in the bill: they are already being applied now. This does not change anything at all.

The bill also creates a new discretionary prohibition order against continuing to work. Judges will be able to prohibit fraudsters from seeking or working in a job in which they would have authority over someone else's money, real property or securities. That does nothing, though, to help people who have been defrauded. In addition, the bill gives judges a great deal of latitude to decide on their own, without any guidelines, how long this employment prohibition should last. Should judges really be given this much discretionary authority? We will have to discuss it in committee.

The bill also does nothing to resolve the restitution issue. Once again, the Conservatives are happy with mere window dressing. The discretionary restitution order is replaced by a requirement that judges "consider making a restitution order". That is just word play. Once again, the Conservatives are aiming in the right general direction but they are way off the mark because this bill does not really change anything for the victims of economic crime.

Another problem is the bill's failure to deal with tax havens. Dealing with them would actually be an excellent way to provide restitution to the victims of economic crime. Thanks to tax havens, money belonging to those who were defrauded can disappear without a trace. If we deal with them, we may be able to trace victims' money.

There will always be people, of course, who try to beat the system and take money from small investors. It is up to us to find the best ways to prevent this crime.

I should emphasize that I am entirely in favour of punishing so-called white-collar criminals. But that is not enough. If all we do is put criminals in prison, they will just get out someday and start all over. We need to find better, more far-sighted solutions. We have to prevent these crimes and take measures that will make it much more difficult to defraud Canadian and Quebec taxpayers.

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A little more than a year ago, the Bloc Québécois proposed a plan for dealing with economic crimes. It aimed to prevent these crimes and punish fraudsters so that justice could be done. In my opinion, the most important measures are those that help victims because they suffer the worst consequences of fraud.

In addition to eliminating parole for white-collar criminals after one-sixth of the sentence has been served, fraud over \$5,000 should be included in the Criminal Code.

• (1720)

As things currently stand, the first paragraph of section 380 of the Criminal Code provides for a maximum sentence of 14 years for fraud over \$5,000, but that is all. In contrast to the minister's bill, which pertains only to economic crimes over \$1 million, we need to deal as well with smaller cases of fraud involving small investors. It is all very well to fight cases of fraud exceeding \$1 million, but crimes this large are relatively rare. I am sure the minister agrees with me on that.

In fighting economic crime, we should also ensure that banks are required to report irregularities in trust accounts to the competent authorities. People should certainly act responsibly when choosing a financial planner. They should do all that is needed to check things out. It is up to the banks, though, to do their part as well and work together in good faith with the Autorité des marchés financiers.

As I said before, the time has come to deal with tax havens. To do this, why not amend the Income Tax Act to stop the use of them? For far too long, the Conservatives and Liberals have been endorsing practices of this kind. It has to stop, especially as tax havens could be a major source of compensation for the victims of economic crime.

Speaking of victims, it is obvious that the current government does not really care about them at all. Bill C-21 has a short title, the Standing up for Victims of White Collar Crime Act, that is far from a true reflection of what it is really about. Once again, the Conservatives are light-years away from telling the truth. This bill makes a timid effort to deal with fraudsters, but it fails utterly. One thing is sure: it does nothing at all to help the victims of these crimes.

When it comes to economic crimes, we need to focus above all on the victims. It is all very well to put the perpetrators in jail, but that is not enough. We in the Bloc Québécois will put the emphasis on this kind of approach by proposing a provision in the Income Tax Act that would allow victims to deduct the amounts that were stolen instead of treating them as capital losses.

Bill C-21 is clearly inadequate. It contains a few timid, makeshift measures, but it is far wide of the mark. As I said, we will be happy to study it in committee and improve it. We will do our duty by proposing a constructive alternative to the views of the Reform—Conservative government.

In conclusion, I would just like to say that this bill is further proof that the values of the Quebec nation are poles apart from the values of the Conservatives.

[English]

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I am pleased, as the member of Parliament for Don Valley East, to rise and speak on Bill C-21. This bill is particularly important where I am

concerned. As an accountant, as an FCGA, as a fraud investigator, I think it is high time this bill was introduced.

So that people understand what is involved in the bill, we need to give a little background.

The legislation was introduced in response to several high-profile white collar crime cases, including Norbourg Securities and Earl Jones in Quebec, and in the wake of the Bernie Madoff Ponzi scheme and revelations in the U.S., many Canadian investors have grown increasingly concerned about white collar fraud.

Other than the title, this bill is the same as Bill C-52, which was introduced during the previous parliamentary session and died at prorogation while at committee.

Bill C-21 has several components that need to be reviewed and addressed in committee.

It introduces a mandatory minimum sentence of two years for fraud involving more than \$1 million, regardless of the number of victims. It specifies aggravating factors to be considered at sentencing, including the psychological and financial impact on victims, the age and health of victims, and the magnitude and duration of the fraud. It requires the court to indicate what mitigating and aggravating factors were considered in relation to the sentence.

It allows the court to prohibit an offender from assuming any position, voluntary or paid, that involves handling other people's money or property. It requires judges to consider restitution where possible and when possible, and it requires judges to consider community impact statements at the time of sentencing.

This bill is very close to home, as I know a number of constituents who were involved or who gave money, their life savings, to this Colgate whitening thief and were told that they would get a 400% return. People think anybody who is involved in a Ponzi scheme or who partakes in it is greedy or does not know what they are doing. I think it is the lack of financial acumen that gets people involved and it is the hype.

It is important that the government realizes that when it prorogued Parliament, Bill C-52 went to bed, and Bill C-21 has been introduced, but in the meantime a lot of people have suffered and this suffering could have been prevented. Vulnerable Canadians, taxpayers, have lost their total savings in this scheme. People have lost their houses. People have lost their jobs. People have become depressed because they lost all their money. It was important when we were studying Bill C-52, which is now Bill C-21, that it should have been there. It should have been in place. It should have been able to help those very vulnerable people.

The impact of white collar crime costs the taxpayers and the treasury a lot of money, because hard-working Canadians have lost their money. The fraudsters are committing fraud against these vulnerable people. Fraud is not victimless. Fraud preys on the weak and the vulnerable in society. We, the Liberals, support sending the bill to committee because we believe it is the right principle.

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The principles behind the stricter sentencing rules are very important, but we also know that they are not enough to prevent these frauds from happening. Sentencing is important, but prevention is equally important in white collar crime.

• (1725)

I would like to know why the government does not use this opportunity to do more. The opposition and the public have been calling on the government to end the one-sixth accelerated parole provision for these types of offenders and the government has not acted yet. We hope that by sending it to committee we can have some practical changes.

While we support the bill's focus on stricter sentencing guidelines for white collar criminals, we believe the scope is too narrow to be truly effective in the fight against fraud. We would like to see that when it goes to committee there is a wide consultation with the stakeholders, the people who have been marginalized, the people who have been robbed of their hard-earned dollars. We would like to see that the financial industry is also engaged in this discussion, because they are the ones who probably regulate the financial industry, the people who do our investments, et cetera, and it is important that these people are also held to a very high standard and that there is important legislation to ensure that fraud is not committed by professionals or by any other laymen who would bring about a Ponzi scheme.

The stakeholder reaction to the legislation has been mixed. While victim groups have been lobbying the government to strengthen white collar criminal provisions, some have expressed discontent that this bill falls short, as I mentioned, because it fails to address regulation or the one-sixth accelerated parole review rule.

The Canadian Bar Association has expressed its opposition to this bill, citing that it would increase pressure on an already taxed criminal justice system and not improve on what is already available in the Criminal Code. Furthermore, the Canadian Bar Association opposes the mandatory minimum sentence in favour of judicial discretion at sentencing.

The RCMP has expressed its support for the bill, indicating a mandatory sentence for such crimes has the potential to be a useful deterrent against criminal activity.

If we come to what this bill would really do, many times in the House we have heard that there is no greater fraud than a promise not kept. The bill died on the order paper last year, taking with it the life savings of every Canadian who has fallen victim to fraud since then. However, this bill, as I have reiterated, would not be enough. It is important to send it to committee. It would send the right message, but words without deeds ring hollow to Canadian mothers now finding themselves wondering how they will feed their kids, or to grandparents without anything to leave behind, or to families that have lost their savings and have had to give up their houses, their cars, everything, to put food on their table. The financial security of families has been ruined while this bill died at prorogation.

I hope the government will not delay by doing any more photo ops but will put enough meat on the table and will help the opposition parties in their desire to bring justice to those who are seeking justice.

While the government was doing its press conference, Canadians, as I mentioned, have lost their savings. It is important that the bill move forward at a quick pace and be sent to committee for further study.

• (1730)

The bill provides nothing, for example, for the prevention of crime, only punishment after the fact. No jail sentence and no restitution can make up for the sense of betrayal and hurt that follows fraud. No jail sentence and no restitution can restore the confidence or livelihood of a Canadian cleaned out by someone who the victim had grown to trust, a new parent without a nest egg, or a dying grandparent without a bequest. Prevention keeps Canadians safe. Nothing is more important to the livelihood of Canadians, and nothing in this bill provides a hint towards it.

I have heard a lot of stories from people who have been defrauded. They had been approached by people who they considered friends and trusted and they were taken for a ride. Colgate whitening comes to mind. People sometimes do not know the difference between a fraudster and a genuine investor. We have seen it in people trying to sell electronic Canadian stamps, without realizing that it is the purview of Canada Post.

How do we keep Canadians safe? In order to keep Canadians safe, it is important that the bill be sent for study and that there be a high level of consultation but that Canadians be given an opportunity to be engaged or educated in fiscal management. There should be an opportunity to have transparency and clarity as to what one can feel is a good investment or bad investment. Nobody is asking the government to oversee this. We are asking that the bill have provisions for prevention.

The bill fails to keep Canadians safe because it prefers punishment to prevention. I believe this is in line with the Conservative government's perspective on crime. Crimes are complex. Crimes are best considered by judicial experts, men and women of the bench with entire professional lives dedicated to finding fair and balanced judgments.

I am not sitting as a judge and neither is any member of the House, but as an accountant, financial consultant and fraud investigator in my previous life, I think it is important that people realize that there are ways in which prevention can take place. Everyone says that prevention is better than a cure, and nobody knows it better than those who are victims of fraud.

When I talked about the Canadian Bar Association, it is opposing this bill for a very simple reason. It is keenly aware that what might work in Gander likely does not work in Moose Jaw or Toronto and what is appropriate today might not be appropriate tomorrow. Cases are unique and it is both reckless and irresponsible to assume that we in the House could tell a justice presiding over a case that we are more qualified than he or she to determine the appropriate sentence for a particular crime.

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The bill provides for a mandatory minimum sentence for the commission of a fraud exceeding \$1 million. While this seems to be reasonable, I believe it is not for us in this place to impose such conditions upon the trained, qualified and professional judges presiding over decisions. There should be guidelines, not minimum sentences, and judicial discretion, not rigid mandates from a place far away. When a crime is committed in, say, Don Valley East or Toronto, I want a judge in Toronto to examine the case on its own merits.

● (1735)

Bill C-21 is worthy of further examination. It sets the right tone. It should be sent to committee for further study.

However, the bill does not do enough to reassure those people taken in by the Earl Jones fraud, the Norbourg security fraud, the Bernie Madoff Ponzi scheme, the Colgate scheme, or the many other schemes that we know of or that have not been reported. It does not assure the wounded victims of past fraud or the hesitant investor that we need now more than ever in this period of economic uncertainty a prevention tool. This is an important first step. I hope that the House will send the bill to committee and that we will have a logical and thorough discussion of the bill so that it may help others avoid such problems.

● (1740)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am very pleased to speak to Bill C-21, An Act to amend the Criminal Code (sentencing for fraud).

Bill C-21 was introduced in the House on May 2, 2010 by the Minister of Justice. In fact, it is identical to Bill C-52 which was introduced during the second session of this Parliament, and did not become law because of prorogation, which we are very familiar with around here, on December 30, 2009.

The intent of the bill is to help crack down on white collar crime and increase justice for victims through measures that include a two-year mandatory minimum sentence for fraud over \$1 million, additional specified aggravating factors for the court's consideration in sentencing, a new type of prohibition order, new obligations on the judge with respect to restitution orders, and a new type of impact statement to consider in sentencing.

The fraud provisions of the Criminal Code were most recently amended in 2004 in response to global impact of corporate scandals associated with companies such as Enron, Tyco and WorldCom. These amendments created a new offence of improper insider trading, increased the maximum sentence for the offences of fraud and fraud affecting the market from 10 to 14 years, and established a list of aggravating factors to aid the courts in sentencing.

The federal government also announced it would create a number of integrated market enforcement teams composed of RCMP officers, federal lawyers and other investigators, such as forensic accountants, to deal with capital market fraud cases.

Now the question is, with all of this supposed action on the part of the government, why are we not seeing results? Why are these fraud schemes still being uncovered?

We have to go back a number of years. I think most people have heard of Charles Ponzi and Ponzi schemes, but there are still a lot of people who are not familiar with the concept. A very large percentage of fraud schemes that are uncovered are in fact of this type.

Essentially, it is the use of investors' money that is taken in today to pay off previous investors. What happens is that organizations offer high rates of return and they entice people to give them money. Then, rather than invest the money in proper facilities, they simply use the money to give a promised return to their previous investors. We know that in doing that, eventually things are going to fall apart.

These schemes tend to go along. In some ways they are similar to the chain letter concept that people are familiar with. While the market is expanding, as happened in the 1920s and in the 1990s, these schemes can continue unabated for a number of years before they are found out. Eventually they are all found out because when the market drops, the people who are running the scam do not have the funds available to pay out. It essentially becomes a run on the bank. Everyone wants their money back, and they do not have the liquidity to do it. Basically, they run out of people to invest in their scheme.

In the case of Charles Ponzi, he collected approximately \$9.5 million from 10,000 investors by selling promissory notes paying a 50% profit in 45 days. As a matter of interest, Charles Ponzi lived in the United States for a number of years, but there is a Montreal connection. In 1907, Ponzi moved to Montreal and became an assistant teller in a newly opened bank basically servicing new immigrants to the city. The man who owned the bank paid 6% interest on bank deposits, double the going rate at the time.

● (1745)

I emphasize the fact that the success of these schemes is based on people's greed, in that they are offering a very high rate of return. That is something the public should be very aware of. On checking the market and the banks, people will see that the average rate is roughly the same among the banks and institutions. When one institution offers double the rate, then people should be suspicious that something is wrong.

Even today, if one financial institution comes out with an offer that is higher than the others, people should not be lining up to buy that investment. People should be questioning why the institution would offer a higher rate of return. Perhaps it is short of money and may not be able to pay investors back.

In this case, Mr. Ponzi eventually rose to be the manager of that Montreal bank. He found out that the bank was in serious trouble because of bad real estate loans. Does this sound familiar? This was in 1907, in the last century, not in 2007. The bank was funding interest payments not through profit on investments, but by using money deposited in newly opened accounts. The bank eventually failed. The owner ran away to Mexico with a large part of the bank's money. This is how Mr. Ponzi got started. At the end of his career, I believe he died penniless and was not able to hide his ill-gotten gains.

However, that is not the case with the modern versions of the Ponzi scheme, in the sense that the schemes we see now are sophisticated and are planned well enough in advance that the money, as one of the members mentioned earlier, is sent off to tax havens. In 1907, Mr. Ponzi probably did not have the wherewithal to take his ill-gotten gains and get them off to Panama, Switzerland, or other tax havens. Perhaps he even believed that his scheme would never end. Maybe he misunderstood what he was doing.

The same cannot be said for an investor like Bernard Madoff, who essentially stole \$65 billion. We are not talking about millions; we are talking about billions, \$65 billion. This is a guy who opened the stock exchange on a routine basis. He knew all the players. He was an insider. He was a guy who was approached for advice.

Ten years before Bernie Madoff was arrested, there were attempts to gain the attention of the Securities and Exchange Commission in the United States with information. It was well documented before the House of Representatives in the United States last year when Harry Markopolos detailed the whole sordid history. Ten years prior to that he had worked for Rampart Investment Management in Boston and his boss asked him whether he could duplicate Madoff's strategy. He said that the funds police each other. In the competitive world of business, competitors watch each other. It was not a surprise to other competitors in his field that he could produce returns because it is to be expected that some funds will out-perform others, but to do it on a consistent basis, month after month, year after year, raised red flags.

• (1750)

Somewhere along the line, Bernie Madoff's fund should have had a loss. At least once over a 10 year period, he should have shown a loss. Even the best of funds that go up on a routine basis do not go up forever. If the sector the funds are invested in does well, it will do well for maybe six months or a year, but it will not do well each and every month, year after year. Bernie Madoff's fund raised a red flag.

Harry Markopolos figured this out very quickly. He gave information to the SEC, but it did not listen to him. The SEC on several occasions checked Bernie out. It investigated his funds annually and stated that his returns were on the level. The SEC, the cop that was supposed to police the fund, did not do its job. It did not do a proper report, and this allowed this ponzi scheme to continue unabated year after year. Meanwhile, more people and organizations bought into the fund. This shows that deregulation has created a big problem in the United States.

Members will know that in the 1920s, after the stock market crashed, the president of the day was looking for somebody who could regulate the financial institutions and the stock market on Wall

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Street. Many members will know that he recruited none other than Joseph P. Kennedy, who had made large amounts of money in the wild and woolly unregulated markets of the 1920s. Justifying his appointment of Mr. Kennedy, the president said something to the effect that it took a thief to catch a thief. A lot of the rules put in place under Mr. Kennedy stayed in place for many years.

The system operated fairly well under those rules until, during the Bush years, Republicans adopted a philosophy of deregulation. The whole idea was to deregulate world markets. All financial institutions had to go global, and the way to do that was to have super financial institutions.

We saw this happen more or less in Canada when the current Conservative government was in opposition and the Liberals were in power. Canadian banks were trying to get the government to deregulate, which would have allowed them to swallow each other up and get bigger.

To the Liberal government's credit, it did not do go this way. That is why the current Conservative government is not in the mess that it could be in right now. I am sure the Liberals were all for deregulation, but had they had their way we could be in as big a mess as Ireland, Iceland, Portugal, or any of the other countries that opted for a deregulated environment.

• (1755)

A big part of the puzzle is to deal with this deregulated environment and try to pull the whole system back under some kind of control. The United States is doing that. It is starting to re-regulate huge sectors of the investment industry, the banking industry, in an effort to combat this type of activity. In spite of that, the American system over the last 10 years had a much better track record than the Canadian system. All we have to do is look at the number of bad guys that the Americans put in prison over the last few years and compare it to how many the Canadian system put in prison. We would have to look long and hard to find anybody who ever went to jail in Canada for white collar crime and fraud. There may be one or two, but that is about it. We are talking about single digits.

In the United States, several hundred people were put in jail for their white collar crimes, including the people who ran WorldCom and the people who ran Enron. Conrad Black, a Canadian who committed his white collar crimes in Canada, was not touched by Canadian authorities. In fact, he was eventually prosecuted and put in jail by the American system, the same system that spawned Bernie Madoff and the Ponzi scheme and the same system that is now attempting to re-regulate itself.

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In Canada, a parallel country, we were not very aggressive on enforcement and the prosecution of these white collar criminals, judging by our record, and we are not looking at re-regulating. So I would say we have a long way to go. The government is bringing in this bill, which we will be supporting to get to committee as we did the last time before the bill died after the House was prorogued, but remember that this is just a small part of the whole puzzle that the government should be dealing with. The government should be looking at setting up some sort of task force to look at re-regulation. No doubt it will, in view of what is happening in the United States.

We also have to look at tax havens. We had a very comical situation here last week. We were debating the implementation of a free trade deal with Panama, which is on the tax haven list of the OECD and a list in France indicating that it is a tax haven; 350,000 private companies are hiding money in Panama and the government is talking about getting a free trade deal in place with Panama when even the Americans will not do it because Panama will not sign on to the OECD protocols about exchange of financial and banking information. On the very day that this was happening, *The Globe and Mail* carried an article about an employee of a Swiss bank who left the bank and went to France with computer disks containing several thousand accounts. But 1,800 Canadians are on that list. The government was somewhat embarrassed, because there were these 1,800 people who, by the way, had to invest a minimum of \$500,000 in the Swiss bank.

They were flat-footed because they do not have the answers. They have not done anything on cutting down tax havens and trying to stop tax evasion. They have a moratorium. Two years ago when a similar bank employee from a Liechtenstein bank walked away with computer disks and went to Germany and sold them to the German government, Canada found that there were 100 people from Vancouver on the list. What happened? They were given amnesty.

• (1800)

The Conservatives say that if anybody wants to come in and admit they have money in Panama or someplace they should not have it, they are free to do a voluntary reporting and the government will not do anything to them. It will not even tap them on the wrist. If they pay the back taxes, they are home free. Is this any kind of message to be giving people out there, telling them that they will have an amnesty if we catch them?

Now we have 1,800 people whom we have uncovered, not because of all this police activity, but because of a bank employee.

The Deputy Speaker: I will have to stop the hon. member there, as his time has expired, and open the floor for questions and comments. The hon. member for Kitchener Centre.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, I enjoyed listening to the comments of my colleague across the way. I have some interest in the subject. I am a member of the Standing Committee on Justice and Human Rights, and we have been studying organized crime for quite some time.

Interestingly, we have discovered that white-collar crime, including a whole host of fraudulent schemes, is being carried out by organized crime from within Canada. People have described our existing laws as too lax to deal with this development.

We have also discovered that organized crime, ironically, is committed by organized criminals, sophisticated people who are driven by the profit motive, and who are not just drug-addled unfortunates.

I am wondering if my friend would agree that, when dealing with organized, profit-driven, sophisticated criminals, deterrence is effective, and that we should therefore be increasing the penalties for such crimes.

Mr. Jim Maloway: Mr. Speaker, the Manitoba government recently cracked down on the Hell's Angels, a criminal gang in Winnipeg, and seized the clubhouse and their assets under the proceeds of crime laws. Certainly, in the last 20, 25 years we have seen marginal steps by provincial and federal governments to start dealing with the proceeds of crime. We have always argued that taking away the money supply from the criminals, from the drug dealers, removes the incentive to commit crimes. That is the way to do it.

It was not until the RICO laws took effect in the United States that the government started to make real progress against organized crime families. Had the United States not taken the initiative to step up the law enforcement and prosecutions and put these gangsters in jail where they belonged, it would still have the problem it had before.

Some big improvements have been made, and I think the government should be looking at that whole area. It is not just one bill today, dealing with this area. There is a whole bunch of other areas, including re-regulating the whole financial services industry, perhaps in cooperation with the Americans.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I want to invite my colleague from Winnipeg to talk again about this important issue of the tax evaders, but I want to ask him about a larger subject. It is my premise that we have to change our thinking. The change has to start right in Parliament in the way we deal with these tax evaders. It goes to the underpinnings of our justice system, our rule of law. It goes right to the heart of democracy.

This is the fourth or fifth list of tax evaders we have received. Last week's list named 1,800 tax evaders who had accounts in Switzerland. Basically, they will walk into the nearest CRA office and get amnesty, the same as everyone else did. No one will be charged.

On the other side of the coin, last night a couple of teenagers were caught stealing a carton of cigarettes from a service station, and they will get 18 months in jail. We have to think. What are we doing as a society? The multimillionaires who steal from the taxpayers will be at cocktail parties tonight. There is no sentence. There is nothing at all. Then we get a couple of kids who steal a carton of cigarettes and they each get nine months in jail.

We have to have a discussion about this. I think this crime is just as heinous as most other crimes, but there is no punishment. If they are caught, they report to the CRA office and they get amnesty. Nobody is in jail for setting up these accounts in foreign countries.

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I ask my colleague to talk about it from a larger perspective. What does our society think about, and how does it treat these criminals? I will call them criminals as opposed to people who do other things. What is the difference?

• (1805)

Mr. Jim Maloway: Mr. Speaker, there clearly is a double standard here. A half a million dollars is the minimum amount of money that one must put into this Swiss bank, so we are not talking about hundreds of thousands of people here. We should not be giving them the signal that they can have amnesty by walking into any Revenue Canada office in the country, volunteer their information and somehow they will be free and clear. How is that giving anybody the right signal here?

If people are rich, they can simply invest their money in Panama, in Barbados, in Liechtenstein or Switzerland and, if they get caught, they can simply walk in to a Revenue Canada office and they get amnesty. That is a terrible way for the government to be approaching the problem.

The government pretends it is tough on crime. I would like to see some of it because it certainly is not being very tough on crime when it comes to these white collar criminals. I would like to see some changes in the way it operates in this area.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, I have a relatively easy question for my NDP colleague. I just heard our Conservative and Liberal colleagues act as though it were really important to make some headway in the fight against white collar crime. But we get the impression that both of these parties are dragging their feet on this issue, as they are on others.

Could the member speak to us about that?

[*English*]

Mr. Jim Maloway: Mr. Speaker, the bottom line here is that we are dealing with the second reading of a bill that was killed because the House prorogued last year. Suffice it to say that if we have taken it this far, we should at least get the bill into committee and see if we can make some changes to it.

I have been very clear in saying that just passing this bill is not the only answer to the problem. It is a much more complicated area that involves re-regulation, having the regulatory authorities stop hiring their friends in the companies for which they used to work. These regulators are regulating their peers. There should be law enforcement type people running the regulatory authorities with the proper authority to proceed against these white collar criminals.

I mentioned that Conrad Black was not prosecuted and jailed in Canada for his crimes. His deal with CanWest of Winnipeg on the non-competition fees was all a Canadian act. The reality was that it took the Americans to prosecute him on those non-competition fees and put him in jail where he belonged, and should have stayed, by the way.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, the member has indicated some tentative support for this legislation. I would like to ask him a question about a specific situation.

A few years ago, we had a case of white collar crime involving the Liberal Party and the former Liberal government. It was known as the sponsorship scandal and it was white collar crime. It was fraud. There were some successful prosecutions but very little consequence.

In the member's view, if this legislation had been in place after that crime was committed, would the number of people held accountable and to the extent to which they were held accountable have been more meaningful than actually was the case with the laws that were in place at that time?

• (1810)

Mr. Jim Maloway: Mr. Speaker, that is quite a leading question. I am sure that if we get this bill to committee, the member can ask those questions of the committee members and the experts who will appear at committee as to whether or not, had the law been in place during the sponsorship scandal, the participants would have received harsher sentences than they got at the end of the day.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, I am pleased to take part in the debate on Bill C-21, the purpose of which is to impose harsher sentences for economic crimes.

Since I will probably be the last speaker to rise on this bill this evening, I will give a brief overview and remind everyone that the bill contains the following measures: two-year minimum sentences for acts of fraud exceeding \$1 million, and the addition of aggravating factors including financial and psychological impact on victims; failure to comply with professional or licence-based rules; and, the scope and complexity of the fraud, including the time and level of planning that went into it.

The bill also sets out a broader definition of victims. The court may entertain a written statement outlining any impact on the community including losses resulting from the fraud. The term "victims" may therefore denote more than any one individual, or individuals, directly affected, and may include an entire community or particular group that has suffered at the hands of fraudsters.

Other measures are also included in the bill: an option for the courts to make an order for the restitution of property and, failing this, an obligation on the court to explain its decision; and, lastly, the option for the courts to prohibit fraudsters from certain activities.

We agree with the principle of this bill. The Bloc Québécois would like to improve the bill in committee and address a number of major shortcomings. Over the next few minutes, I will speak to a number of these shortcomings.

It can be a lot better. In September 2009, we called for the implementation of concrete measures to fight fraud. Americans are not the only ones to be affected by major fraud; it is happening the world over. Unfortunately, we have our own examples of this in Quebec.

Government Orders

During today's debate on Bill C-21, several members have given examples of cases of fraud that have occurred in almost all corners of the world. There have been financial scandals in Quebec including the Cinar affair, Norbourg—a sadly notorious case—and Earl Jones, whose acts have laid bare weaknesses in the current system's ability to monitor and fight crime. When we broached the subject, instead of rallying behind us, the Conservatives immediately decided to put forward their own measures. We are of course in favour of some of these measures, but we do not understand why it seems as if the job was botched and done in a panic for the purpose of looking after their own interests, while the victims are simply asking the government to act, and to act quickly.

We will probably never be successful in completely eradicating fraud, which never stops. While listening to the news earlier on Radio-Canada, I heard that the Insurance Bureau of Canada just issued a warning about a fresh wave of fraud affecting auto insurers, and that the IBC decided to warn its insurers. An investigation had shown a spike in the number of completely staged car accidents. People are deliberately having car accidents in order to make fraudulent insurance claims. It is probably not brand new, but there is apparently a wave of this hitting the industry right now.

When I was a journalist, I covered an event based on information obtained by the police. In fact, after noticing that the water level of a lake had risen—it was an abandoned pit—cranes regularly went and dragged out cars from the bottom of that lake. People had pushed their cars in there in order to claim insurance. Thus, there is nothing new under the sun.

It will be tough to completely stop these acts of fraud. At least if we manage to put concrete measures in place—and I believe that some of my colleagues from the Bloc Québécois have referred to such measures here over the course of the day—that that will have a dampening effect on these financial scandals.

On September 2, 2009, the Bloc Québécois introduced a series of measures to improve the system and make crimes harder to commit, easier to detect, and subject to tougher penalties. A comprehensive approach is needed in order to understand, and effectively fight, this type of crime. In response, a couple of days later, on September 16, the government came up with a bill which was supposed to include minimum sentences, aggravating factors and the option for the courts to make an order for the restitution of property. That was Bill C-52, which is now Bill C-21.

This bill contains very few measures and will be only minimally effective. I will speak a bit later about the measures favoured by the Bloc Québécois. In this the bill in its current form, the Conservative's primary measures include minimum sentences. They have no deterrent effect, just as in other areas. Acts of fraud over \$1 million are rare. The Minister was unable to cite a single case of major fraud for which the sentence handed down was less than the suggested two years. In fact, 6- to 7-year sentences were generally handed down in these cases.

The courts already took into account the aggravating circumstances that have been included here. So this addition does not change much. Almost all, if not all, the aggravating circumstances listed in this bill were included in the Vincent Lacroix decision, which sadly is a well-known example. It makes you wonder whether

the Conservatives just copied and pasted the decision because they told themselves that was what they needed to do.

• (1815)

Therefore, the judge in this case had the tools at his disposal. We do not need to reinvent the wheel. We must improve the situation and put an end to such financial scandals instead of redoing what has already been done. It would not change much. A bill that contains the same measures that judges are already using will not help fraud victims.

Restitution orders already exist. They are broader in scope in Bill C-21, but experts have raised concerns about the feasibility of these measures in practice. I am not an expert, but I know that committee members from all of the parties will be able to question these experts about all of the proposed measures.

The part of the bill that restricts the activities of convicted offenders is interesting. But that, too, is at best an existing practice whose scope has been broadened.

Thus, Bill C-21 is missing the most important measure, that is, abolishing parole after only one-sixth of the sentence has been served. We have been calling for that for quite some time. When I say "we", I mean that is what the people of Quebec want. I am not deaf and blind to what is happening in the rest of Canada, where people have also been calling for that, but especially in Quebec, because of the cases mentioned earlier—Norbourg, Earl Jones, Cinar—people are particularly aware of and angry about the fact that, although the sentence might appear harsh, someone can be released after serving just one-sixth of the sentence. That is the main source of frustration.

Despite Bill C-21, Earl Jones and Vincent Lacroix will be able to benefit from this mechanism to get out of prison before having served a sufficient amount of their sentence. We know that minimum sentences do not solve this problem. We limit any room to manoeuvre for the judge who has to examine all the circumstances of the crime. Just because someone appears before a judge for committing a crime does not mean there are no extenuating circumstances. The judge needs enough room to manoeuvre to give an accused who is eventually found guilty four years in prison for precisely what happened and the role he played. Another person involved in the same crime might end up with 7, 8 or 10 years because the circumstances were not necessarily the same. We have to give the judge this room to manoeuvre so that he or she can use a balanced approach.

When we impose minimum sentences, there is no room for second thoughts. Regardless of the extenuating circumstances, a person who commits a crime and is found guilty will be given two years in prison, while under the current system he might have done a bit better than that. Depending on the case, we might be too strict or not strict enough, especially when minimum sentences are involved.

We are not addressing tax havens either. We heard that a few times in the speech before mine. That is where the fraudsters hide their loot. What point is there in ordering restitution of the hidden money when we are not addressing the issue of tax havens?

Government Orders

The Bloc Québécois has prepared a six-point plan to deal specifically with white-collar crime. They are effective measures. We also want to restore the confidence of victims and citizens in general. This confidence has been clearly undermined for two main reasons. I spoke earlier about release after serving one-sixth of a sentence. There is also the notorious two-for-one credit for time served before sentencing, which makes it possible for someone convicted of a crime to have double the amount of his time spent in preventive custody deducted from his sentence. He will obviously get out more quickly.

On September 2, 2009, to make life difficult for fraudsters and to prevent other investors from losing their life savings, the Bloc Québécois presented a plan to fight white-collar crime. This balanced plan consists of six measures: three of them target crime prevention in particular, two ensure that justice prevails when a guilty verdict is handed down, and one helps victims.

First, we are calling for the complete elimination of release after serving one-sixth of a sentence. If I remember correctly, when this session of parliament began, it was the first thing we asked for because we were right in the middle of the scandal of Vincent Lacroix from Norbourg. We expected all parties in this House to allow us to fast track this legislation. Unfortunately, the Conservatives did not agree.

• (1820)

We are also asking that the Criminal Code provisions on confiscating proceeds of crime be amended to include fraud of more than \$5,000.

Next, we are calling for police forces to be reorganized, what concerns us here in the House of Commons and at the federal level being the RCMP, to create multidisciplinary squads specializing in economic crime. At present, the police are extremely competent, but we need to expand the range of skills, including for tax fraud cases, which are now significant and which very often exceed the basic skills of a police force. We have to have experienced accountants and lawyers who are well versed in all the tricks developed by these big fraud artists, particularly given that the fraud is often committed at the international level, using tax havens. The work of a mere investigator is not going to uncover all the ins and outs of these. When fraud artists, criminals, on this scale are discovered, we realize everything they have managed to do with sleight of hand and shell games to defraud thousands of people, often out of millions of dollars. And then we realize that we need to have multidisciplinary squads composed of people with a variety of skills, to be able to explain properly to the investigators exactly how these people have managed to operate. We would not have those people just to uncover things, but also to combat fraud artists who might be tempted to continue in that vein.

We are also calling for banks to have an obligation to report irregularities in trust accounts to the Autorité des marchés financiers and the user's professional body. We recently had an example of this, and investigators are still trying to wade through this scandal: people used a bank to commit tax fraud, it seems, and to evade taxes, by investing the money in Switzerland. Obviously, we will know more as the investigation progresses.

We are also calling for a review of the amendments that could be made to the Income Tax Act to assist the victims, in particular by introducing a provision to allow victims of fraud to deduct the stolen money from their income, instead of those amounts being considered to be capital losses. Often what we try to do in these situations, as is to be expected, is either to combat the fraud or to arrest the people who committed it. Sometimes, however, we may unfortunately forget the victims. Well, in the measures proposed by the Bloc Québécois, the victims are not being forgotten. And so when we study Bill C-21 in committee, we will ask that we be able to make that amendment to the Income Tax Act.

We are also asking that the Income Tax Act be amended to put an end to the use of tax havens. This practice allows individuals and companies to hide money and avoid paying taxes. Many examples of this have been mentioned here in the House today.

I have a few minutes left to go into detail about my first point. Since 2007, we have been proposing that the chance of parole after serving one-sixth of the sentence be abolished. This idea is not new. It is not that we have just now realized what needs to be fixed. For three years, we have been asking that this measure be abolished as it undermines the credibility of the justice system. Abolishing it would allow us to extend prison sentences for those who commit fraud, even for those who have already been arrested and who are awaiting their criminal trial. It would contribute to restoring—

An hon. member: Oh, oh!

Mr. André Bellavance: I was just interrupted by one of my colleagues.

An hon. member: A Liberal, at that.

Mr. André Bellavance: Excuse me, Mr. Speaker. This element would allow us to restore our justice system's reputation.

All too often, convictions, even serious ones, lead to only a couple of months of jail time. That was the case with Vincent Lacroix. Although he was given the maximum sentence under the Quebec Securities Act, the Court of Appeal recently determined that the maximum sentence that can be imposed under the act is five years less a day. Mr. Lacroix was therefore able to leave prison after having served only one-sixth of his sentence. And that is when the justice system's reputation went out the window.

• (1825)

What is regrettable in the current parole system in Canada is that it undercuts the assessment the judge made in determining the sentence and tends to discredit the administration of justice in the eyes of the general public, which thinks, often quite rightly, that most sentences are not tough enough.

Adjournment Proceedings

The Bloc Québécois therefore introduced a simple bill on September 14 for this sole purpose and with no surprises in it. The goal was to get it fast-tracked and give us some good tools to work with. Unfortunately, although the victims wanted the bill and there was a consensus around it in Quebec, the government explicitly refused to fast-track it, preferring to announce instead that it would introduce a bill at some unspecified date and to some unspecified end. So it is vague intention, a wish. We will see what comes of it, but as of September 14 we could have already fast-tracked legislation on parole after one-sixth of the sentence has been served.

Since June 2007, the Bloc Québécois has also been proposing amendments to the Criminal Code provisions on confiscating the proceeds of crime in order to include measures covering fraud over \$5,000. Fraudsters who had been found guilty would be required to prove that their property was legally acquired, failing which proof, it would be seized. This would amount more or less to a reversal of the burden of proof. A measure like that would make life much more difficult for criminals of all kinds.

Third, there is the reorganization of the police.

We have a lot of measures, therefore, that could easily be implemented and that have been discussed for a long time. I think that when Bill C-21 is studied in committee, it would be good to put these measures back on the table to ensure that we have a bill with a bit more substance.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1830)

[English]

OFFSHORE DRILLING

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, it is a great honour to debate tonight. We have been instructed and scheduled by the private members' office to follow up on a question this evening asked of the government last spring, and the subject is of great concern for many Canadians.

With the world attention centred on the devastating oil spill in the Gulf of Mexico, which cost billions of dollars in environmental damage over its five month leakage, I asked what specific plans the government had to ensure this devastation did not occur in Canada.

The minister told us that Canada had very strict offshore drilling regulations. However, in a recent follow up exchange I had with the government, it could not explain to me why our regulations did not even meet the stringent levels of regulations in place in Greenland.

The government of Greenland requires proponents applying for exploration licences to accompany their applications with a feasibility study and environmental impact assessment and a strategic impact assessment.

Fortunately the National Energy Board is keeping an eye on what is happening in the Gulf of Mexico to understand the situation better and to improve existing technology in Canada.

The minister forgets, however, that the NEB came within a hair this past summer of having hearings about allowing offshore drilling in the Arctic without relief wells until the pressure from the opposition forced the NEB to halt these hearings and hold hearings in the near future on all aspects of Arctic drilling and to be prepared should a drilling project be hit with a blowout or a spill.

What is also disappointing in the minister's answers is the failure to realize that, while he constantly has harped on Canadian drilling activity regulations in place, which we know are not quite adequate for the Arctic, and that there are no immediate plans for drilling in Canada, the current threat we are not prepared for could come from drilling activities in neighbouring international waters.

As we know, Shell had planned to drill this summer, but because of a moratorium, that is probably put off until next summer. However, drilling in fact occurred adjacent to our waters in Greenland this summer.

Not once did the minister refer to the responsibility of the Canadian Coast Guard to be the lead agency should such an incident cross into our waters. Fortunately for Canadians the Coast Guard knew of its responsibility and actually staged a mock oil spill clean up exercise in Arctic waters this past August.

Once again, Canadians are asking for the 12th time, with the government of Greenland and oil giants excited about preliminary results from offshore drilling this past summer, one could logically expect heighten drilling activity to take place off Canadian waters. How prepared is the government to deal with such a disaster should one happen from an adjacent neighbouring country?

Let me remind the minister that the time for lip service is over. Offshore drilling is happening in neighbouring waters. Our Canadian drilling standards are less stringent and do not match the best practices of some of our neighbours.

When it comes to safety, let me tell the House once again that since 2006 the government has spent no more than \$10.25 million on research and development on methods to deal with offshore blowouts and offshore spills. There are no exact figures as to how much of that money was directed to the north and we still do not have the answer to clean up an oil spill.

Millions of Canadians were horrified as they watched the Gulf of Mexico spill, the largest environmental disaster in history. They assumed that our government had a plan to deal with it should such a disaster come from our drilling or drilling near our waters. They were equally horrified when the government was asked nine times last spring and had no answer, no plan, as to what it was planning to do if this happened in Canadian waters, and especially to protect our fragile Arctic.

The private members' office directed us to debate this tonight and we certainly hope that the parliamentary secretary can finally relieve Canadians and provide some information on what the government's plans for such a huge disaster in Canada.

*Adjournment Proceedings***Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC):**

Mr. Speaker, the strangest thing about this series of questions the member has asked is that it almost seems as if he is looking for some sort of a disaster so that he can take advantage of it in some kind of political sense.

The member knows full well that our government is committed to the safe, responsible and sustainable development of all of Canada's natural resources. He also knows that we rely on a strict arm's-length regulator to make science-based decisions and who has the responsibility of ensuring the protection of the public and the environment.

The member knows as well that there are currently no active authorizations for drilling of any kind in the Beaufort Sea and that the NEB has been safely regulating that activity for almost 20 years.

I think the real question tonight is one of credibility. The member wants to keep raising these questions and giving the impression that he is representing his people on these issues. On an issue that came up recently, I think 88% of the member's constituents were on one side of this issue. He stepped forward.

The other side is starting to heckle because they know full well what this is. This is an issue of integrity.

When it came to voting, the member opposite abandoned his constituents. He abandoned the north. He walked away from them. This was an issue that was key for Yukoners. It was a key issue for the aboriginal people and for Canadians across the country. Of course we are not talking about drilling. We are talking about the gun registry.

The member comes into the House pretending that he is representing Yukon but on an issue where he had almost 90% of his constituents on one side of the issue, he walked away from them. The reason he walked away is because he is representing Ottawa now more than he is representing Yukon.

I want to say that that will not happen on this side of the House because we do represent the local people. We are standing up for them. When I talk about the National Energy Board announcing a review of the Arctic safety and environmental offshore drilling requirements, we are doing that for the people of Yukon and the people of the north.

For the member opposite, it is a serious issue of abandoning his constituents. Can the member be trusted? I think that is what a lot of people are asking. There are people in here who are saying that he probably cannot be trusted because even in his own province the premier himself is wondering about the member from Yukon. His comment about what the member opposite did was to say that his government does not change its mind like the Liberals did on the long gun registry and that it does not hide from its verbal commitments to Yukoners. It backs it up with action. It is about trust and the Liberals are all in it together. He said that Yukoners cannot trust them.

Certainly if they cannot trust the member opposite on an issue where he had 88% support for his previous position, which he then switched because the Liberal leader told him to, I doubt if Yukoners

can rely on him on issues regarding oil drilling, regulations and those kinds of things.

This is not a small thing that he changed. There was a motion introduced in the legislature in Yukon demanding that he return to the territory to explain his actions. The MLA who put that forward said that the Yukon government wanted to know why he chose to follow the dictates of the Liberal Party leader and breach his commitment to Yukoners by voting to save the long gun registry.

How or why would Yukoners trust the member on this oil drilling issue when they certainly could not trust him on the gun registry issue, even when he had 90% support for his previous position?

• (1835)

Hon. Larry Bagnell: Mr. Speaker, I thank the member for promoting Yukon to a province, but other than that he had a very dismal reply on oil drilling. He has actually failed the government again. The same parliamentary secretary had the option before and once again has failed the government.

The government has had 12 times now to suggest that it actually has a plan for cleanup. He said nothing about ships, harbours, booms, disbursements and nothing about what the Canadian government could do to protect the Canadian Arctic, which is a big fear for Canadians.

He has failed the minister who could not answer nine times. At least he could have come forward and suggested that the minister did have a plan and provide part of that plan.

He certainly failed himself by showing that he does not know anything about that portfolio or anything about what Canada could do to prevent us from being damaged by the greatest environmental accident in North American history.

This is a very sad day for Canadians and their desire to protect the fragile Arctic environment.

Mr. David Anderson: Mr. Speaker, for some strange reason the member has decided to get personal about this.

I can assure the member that I actually do know my portfolio. The energy board actually has announced a review of Arctic safety and environmental regulations. It is open to the public. The public is allowed to come and make its presentations. Last week the energy board released further details of it. He can look them up and find out what they are. We are pleased to point out things, including the issue of relief wells that will be one of the many important aspects of that study.

The member talked about failing people. I think he is the one who needs to acknowledge that he has completely failed his principles and his constituents. This government looks forward to representing and protecting the interests of Yukoners and folks in northern Canada, as we protect this country from sea to sea to sea.

Adjournment Proceedings

● (1840)

ETHICS

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the question I asked on May 6, last, related to the current government's questionable record on ethics and how it seems to have established its own set of what is ethical. It talks a lot about rules, about law and order, but there are certainly different rules that apply to the government.

This is a Prime Minister who decides to set as an example, for all his caucus to consider, the treatment he meted out to the member for Simcoe—Grey. His ethical standard is simple, “Disappoint me in any way and I will not only remove you from cabinet but I will kick you out of caucus and, in the process, do everything in my power to ruin your reputation in the community”. That is the way the Prime Minister operated. No one, certainly not the current Prime Minister, has had the courage or the decency to explain his actions in regard to the treatment of the member for Simcoe—Grey.

Did the official opposition believe the member should have been removed from cabinet?

Absolutely. We felt she should, and we stated so.

However, did we, on this side of the House, ever demand that the member in question be kicked out of caucus, that the RCMP be manipulated by the Prime Minister personally to undertake an unwarranted investigation, which led nowhere?

Absolutely not. We did not.

These actions came out of the Prime Minister's Office, personally.

Where is the ethical bottom line for the current government and the current Prime Minister? What will the current Prime Minister do to keep order in his caucus?

We now know that the RCMP found nothing, and although the member wants to come back into caucus, the Prime Minister stands by his position.

I would say to members opposite, the backbenchers of the governing party who jump like trained seals when the Prime Minister speaks, that if it can happen to the member for Simcoe—Grey, it can happen to any member on the government benches. Quite seriously, they have a leader who is prepared to destroy not only their political career but their and their family's reputation in the community if he sees advantage in doing so.

Members opposite should give that some thought, and they no doubt do, although I am certain we will not hear any admission of that on the floor of the House of Commons.

Let me close with the most recent example of a serious lapse in ethical behaviour by the current government.

Here is what the former House leader told this chamber on June 4, 2010:

Our ministers will not only be answering questions, as they do every day, in this chamber but at committee as well. Ultimately, it is they who are responsible for the actions of their staff and for their departments.

But that does not seem to apply to the current Minister of Natural Resources who, while minister of public works, had in his employ Sébastien Togneri. Mr. Togneri, in his testimony before the ethics committee, testimony given under oath, stated two things. One, he acknowledged that he had broken the law with respect to the Access to Information Act prohibiting the interference with an access to information request. Two, he stated that he was given the “informal” authority to be actively involved in the access to information files by his minister, the current Minister of Natural Resources.

Why has that minister not resigned? This government campaigned —

The Deputy Speaker: Order, please. The hon. Parliamentary Secretary to the President of the Treasury Board.

Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board, CPC): Mr. Speaker, it is always a pleasure to rise in this House to address the questions of the hon. member opposite. It is a pleasure, but truth be told, today it is also a surprise. Why?

For weeks this past spring the hon. member from Malpeque stood in this House and demanded not just the resignation but the tarring and feathering of the former minister of state for the status of women. No defence was considered reasonable; no need for a hearing was considered warranted. Indeed, the member demanded her resignation on March 5, twice on March 10, on March 11, which is my birthday, on March 12, March 16, March 22, March 30, March 31, and twice on April 1. On April 19, after the former minister of state's resignation, he demanded to know why she had not resigned two years earlier. That is 12 times he demanded her resignation.

I mention this history only to explain my bewilderment at having to stand here today to explain to the member why the former minister of state is no longer a member of the ministry or of the Conservative caucus. After his repeated calls for her pound of flesh, I am puzzled to be here today to explain the ethical principles behind the actions of our Prime Minister.

The Liberals just cannot be consistent on this or on any other issue for that matter. For weeks they demanded the minister's resignation, yet today they demand to know why the minister resigned. We really are getting a full display of the Liberal's hypocrisy tonight. In fact, their blinding hypocrisy could light this chamber.

In contrast, our Prime Minister's record on dealing with matters of ethics is consistent and unblemished. Immediately upon taking office, our Prime Minister brought in the Federal Accountability Act, the toughest anti-corruption legislation in Canadian history. He has ended the revolving door between lobbying and government. He has banned big money from politics. He has expanded lobbyist transparency rules to include parliamentary secretaries, members of Parliament and staff in the official opposition leader's office. He has brought a significant increase in ethical standards to Parliament and this past spring, the Prime Minister again did the right thing in his dealings with the former minister of state.

The record shows that in every circumstance when presented with credible allegations of ethical impropriety, the Prime Minister has acted immediately and appropriately.

In the case of the former minister of state, serious allegations were brought to the Prime Minister's attention. Rather than sweep the issue under the rug, he did the right thing. He referred the matter to an independent third party. That is the high ethical standard our Prime Minister promised and that is the high ethical standard he has lived up to. The Prime Minister has set a high ethical standard for the conduct of his ministers and caucus.

The Liberal Party does not understand the concept of ethical standards for membership in its caucus. One Liberal member is pocketing tens of thousands of dollars for her taxpayer subsidized home. Another one is being charged for refusing to take a breathalyzer test. Now, to talk about ethics, how about the member for Malpeque promising his constituents that he would vote against the gun registry and then he flip-flopped and broke his word. How is that for ethics?

On this side of the House we take ethics seriously. Why can the Liberals not do the same?

• (1845)

Hon. Wayne Easter: Mr. Speaker, it is really interesting how the government member tries to reinvent history. Of course we asked that the minister resign and for valid reasons. It has now been proven that the charges the Prime Minister laid against the member for Simcoe—Grey were not fact but were invented.

The parliamentary secretary talked about the Federal Accountability Act. The fact of the matter is, as we are learning more each and every day, that never in the history of Canada have we seen a government with such a level of secrecy and abuse of information laws as we have seen from the Conservative government. It is unprecedented. The Conservatives talk the talk, but they do not walk the walk.

Adjournment Proceedings

When it comes to my riding of Malpeque, I have never said that I would vote against the gun registry. I made it clear that I would speak up for constituents. Members on that side of the House should not try to falsify that argument too.

Mr. Andrew Saxton: Mr. Speaker, the member brought up freedom of information. This government's record speaks for itself. We fought for Canadians' right to know how their government operates and our record is clear.

We made 70 new crown corporations and institutions accountable to Canadians, something the Liberals refused to do. We increased the Information Commissioner's budget by 26%. This government has worked hard to improve transparency since the Liberal years.

Our rules with respect to access requests are clear. Political staff should not attempt to make access to information decisions. The record shows that transgressions in this regard have severe consequences.

The Minister of Natural Resources, like our Prime Minister, acted appropriately with the highest ethical standards by having the issue referred to the Information Commissioner and accepting the former staff member's resignation.

• (1850)

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:50 p.m.)

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