



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, December 14, 2010**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, December 14, 2010

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

•(1005)

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to nine petitions.

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### COMMITTEES OF THE HOUSE

#### INTERNATIONAL TRADE

**Mr. Lee Richardson (Calgary Centre, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on International Trade.

In accordance with its order of reference of Tuesday, October 26, 2010, the committee has considered Bill C-46, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama, and agreed on Monday, December 13, 2010, to report it without amendment.

#### PUBLIC SAFETY AND NATIONAL SECURITY

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Public Safety and National Security in relation to its study of federal corrections, mental health and addictions.

I want to take this opportunity to thank the clerk of the committee, Mr. Roger Préfontaine, for his work, and also the analysts, Lyncé Casavant and Tanya Dupuis, who I understand were up working until 11 p.m. last night.

### CANADA SHIPPING ACT, 2001

**Ms. Joyce Murray (Vancouver Quadra, Lib.)** moved for leave to introduce Bill C-606, An Act to amend the Canada Shipping Act, 2001 (prohibition against the transportation of oil by oil tankers on Canada's Pacific North Coast).

She said: Mr. Speaker, this bill is being seconded by the member for Yukon.

I am very pleased to introduce my private member's bill, which is an act to amend the Canada Shipping Act, 2001. It is a prohibition against the transportation of oil by oil tankers on Canada's Pacific north coast.

I want to thank the member for Yukon for his strong support and for seconding this bill. The member is a tireless advocate for the people of the north and for the sustainable economic development and protection of the environment.

This bill is a response to the vast majority of British Columbians who want continued protection of the inland borders around Haida Gwaii. That would be the areas of the Dixon Entrance, Hecate Strait and Queen Charlotte Islands. They want this area protected from the transport of crude oil for export in oil tankers and supertankers.

This very strong desire for protection is democracy at work. This includes municipalities, first nations and residents in British Columbia, including the residents of Vancouver Quadra.

Over the years, we have experienced the *Exxon Valdez* accident and the Deepwater Horizon oil spill. It is a reminder that there cannot be a guarantee against an oil spill caused by human error or equipment failure. This law would protect the north coast.

I want to thank my Liberal colleagues, colleagues from other parties in the House and all of the advocates for a protected coast for their support.

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

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### INDEPENDENT AND EFFECTIVE OFFICE OF THE VETERANS' OMBUDSMAN ACT

**Mr. Robert Oliphant (Don Valley West, Lib.)** moved for leave to introduce Bill C-607, An Act to establish the office of the Veterans' Ombudsman.

*Routine Proceedings*

He said: Mr. Speaker, I am pleased this morning to introduce the independent and effective office of the Veterans Ombudsman bill, which if passed would give the Veterans Ombudsman independence from departmental and ministerial control and would shift the reporting requirements to Parliament itself.

Members of Parliament are fond of arranging Christmas gifts for our soldiers, particularly those on active duty in Afghanistan at this time of year. An effective and independent ombudsman to help them when they leave the forces, especially if they are injured, would be the best possible gift to give them.

This bill would provide veterans with an independent voice that could effectively advocate on their behalf. The bill would make significant changes to the scope of the ombudsman's ability to investigate problems, offer mediation services and comment on systemic issues using the same resources now committed to the current office. These powers and new reporting relationship would significantly strengthen the ombudsman's effectiveness at no additional cost to the taxpayer. As such, the bill would not require a royal recommendation. This is a serious bill for a serious problem.

This is the sort of holiday gift that Canadian soldiers and Canadian veterans want and deserve. I take this time to wish them all a very merry Christmas and a safe and happy New Year.

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

\* \* \*

●(1010)

**PENALTIES FOR ORGANIZED DRUG CRIME ACT**

**Hon. Rob Nicholson (Minister of Justice, CPC)** moved for leave to introduce Bill S-10, An Act to amend the Controlled Drugs and Substances Act and to make related and consequential amendments to other Acts.

(Motion agreed to and bill read the first time)

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**PETITIONS**

## MINING INDUSTRY

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, it is my honour to bring forward the voices of the people of Thompson and Manitoba in general. Today I would like to present petitions on their behalf calling for the federal government to stand up for Canadians and Canadian jobs.

On November 17 Vale announced devastating news that it is planning to shut down the smelter and the refinery in Thompson. This announcement means the loss of over 600 jobs and a devastating impact on the community, the northern region and the province.

The people of Thompson are saying that the federal government must stand up for them. Not only did the Conservative government allow the foreign takeover by Vale, it also gave the company a loan of \$1 billion just over a month ago, just weeks before such devastating news.

People in Thompson and Manitoba in general are asking that the federal government stand up for Canadians rather than foreign

companies. They are asking that the government work with the stakeholders to save the 600 jobs at the Thompson Vale smelter refinery.

## CONSCIENTIOUS OBJECTORS

**Mr. David Tilson (Dufferin—Caledon, CPC):** Madam Speaker, I have a petition to present today signed by 738 secondary school students in my riding.

The petitioners are asking that the government respect a motion passed on June 3, 2008 by creating a program to allow conscientious objectors to the Iraq war and their family members to apply for permanent resident status in Canada and halt all deportation proceedings against them.

## CANADIAN BROADCASTING CORPORATION

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Madam Speaker, I rise today to present three petitions.

The first is signed by hundreds of constituents who call upon the government to enact the recommendations made by the Standing Committee on Canadian Heritage in support of the Canadian Broadcasting Corporation. This includes an increase in the support of stable and adequate funding.

●(1015)

## PENSIONS

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Madam Speaker, the second petition is signed by hundreds of constituents in my riding.

The petitioners call upon Parliament to affirm that pension benefits are deferred wages, to elevate defined pension benefit plans to secured status in the Bankruptcy and Insolvency Act and the Companies' Creditors Protection Act, and to pass into law any legislation before it that would achieve these objectives.

## EMPLOYMENT INSURANCE

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Madam Speaker, the last petition is signed by hundreds of constituents in my riding.

The petitioners call upon the Government of Canada to respect the will of the House of Commons and immediately restore the integrity of Canada's employment insurance system.

## MINING INDUSTRY

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, I am presenting petitions signed by residents in the Timmins and Sudbury region who have lived with the effects of the government's complete abdication of due diligence when allowing Vale to basically rob the people of Sudbury, Thompson and Voisey's Bay by taking Inco, as well as Xstrata taking Falconbridge, one of the world's great mining companies, and shutting down refineries. We see the shutdown in Timmins. We see the shutdown in Thompson.

*Routine Proceedings*

The petitioners are calling on the government to show some due diligence. Certainly the industry minister has been the Mr. Magoo of industry and could not see any problem as our mining industry fell off the side of the cliff. Obviously the Conservatives will not stand up for mining communities. We see that in Thompson. We have seen that in Sudbury. We have seen that in Timmins.

We need some basic rules to keep the government in check to represent and defend the interests of mining communities.

## AFGHANISTAN

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, I have a petition signed by dozens of Canadians calling on the government to end Canada's military involvement in Afghanistan.

In May 2008, Parliament passed a resolution to withdraw the Canadian Forces by July 2011. The Prime Minister, in agreement with the Liberal Party, broke his oft-repeated promise to honour the parliamentary motion. Furthermore he refuses to put it to a parliamentary vote in the House.

Committing 1,000 soldiers to a training mission still presents a danger to our troops and an unnecessary expense when our country is face with a \$56 billion deficit. The military mission has cost Canadians more than \$18 billion so far, money that could have been used to improve health care and seniors' pensions right here in Canada.

Polls show that a clear majority of Canadians do not want Canada's military presence to continue after the scheduled removal date of July 2011. Therefore, the petitioners call on the Prime Minister to honour the will of Parliament and bring the troops home now.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Madam Speaker, Questions Nos. 534 and 541 will be answered today.

[Text]

Question No. 534—**Hon. Maria Minna:**

With regard to paragraph 3(1)(c) of the Fair Wages and Hours of Labour Act: (a) what is the procedure for imposing penalties on contractors and where are those procedures outlined; (b) how many contractors were penalized under this provision between January 1, 2005 to October 26, 2010; (c) did any contractors fail to pay the penalty and, if so, (i) how many, (ii) did Human Resources and Skills Development Canada pursue further action to collect the penalty; (d) were any contractors who were not penalized investigated and found to be in violation of the Act; and (e) when and where were the procedures for imposing penalties published?

**Hon. Lisa Raitt (Minister of Labour, CPC):** Mr. Speaker, with regard to paragraph 3(1)(c) of the Fair Wages and Hours of Labour Act, FWHLA, in response to (a), Human Resources and Skills Development, HRSD, labour program's current policy does not include procedures for imposing penalties to address the administration of paragraph 3(1)(c) of the Fair Wages and Hours of Labour Act. Note that paragraph 3(1)(c) states that the minister under whom the work contemplated by the contract is being executed, in most cases the Minister of Public Works and

Government Services, may deduct the amount of the penalty from moneys payable to the contractor.

In response to (b), the labour program is not aware of any contractors being penalized under this provision.

In response to (c), the HRSDC labour program is not aware of the failure of any contractor to pay the penalty.

The response to (c)(i) is nil, and (c)(ii) is not applicable.

In response to (d), for 2010-11 to date, no violations of the FWHLA have been found. In 2009-10 nine investigations noted infractions and resulted in payments being made to workers in eight cases to date.

In response to (e), this is not applicable.

Question No. 541—**Mr. Scott Simms:**

With regard to the government's activities in Botwood Harbour, Newfoundland and Labrador: (a) is a human health risk assessment being conducted and, if so, what are its results to date; and (b) what are the results to date of the sediment sampling program?

**Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, in response to (a), at this time, there are no indications that there are any adverse effects on human health. However, as a further precaution, Transport Canada initiated a screening level human health risk assessment in 2010 that identified potential risks from contact with the marine sediments or fish. In the absence of shoreline specific data, these risk rankings were developed based on marine sediment data. To further refine the analysis and to provide greater certainty, a site-specific fish-sampling program and near-shoreline sediment sampling are under way in Botwood. Should any adverse impacts be identified, Transport Canada will ensure that action is taken to mitigate the risk.

In response to (b), since 1996, several environmental studies have been conducted to assess the sediments in Botwood harbour and elevated metal concentrations were found in the samples. The most recent sampling event in 2010 also indicated that elevated metals were present in the sediments. Recommendations from environmental reports state that the sediments should remain and allow natural sedimentation to bury the sediments containing metals. Monitoring of the natural burial process is being conducted biannually.

\* \* \*

[English]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Madam Speaker, if Question No. 537 could be made an order for return, this return would be tabled immediately.

**The Acting Speaker (Ms. Denise Savoie):** Is that agreed?

**Some hon. members:** Agreed.

*Government Orders*

[Text]

Question No. 537—**Ms. Jean Crowder**:

With regard to Section 74 of the Indian Act, is there a policy document, directive, guideline or other documentation that the Department uses to apply the Minister's authority?

(Return tabled)

[English]

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

**The Acting Speaker (Ms. Denise Savoie)**: Is that agreed?

**Some hon. members**: Agreed.

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## GOVERNMENT ORDERS

[English]

### STANDING UP FOR VICTIMS OF WHITE COLLAR CRIME ACT

The House proceeded to the consideration of Bill C-21, An Act to amend the Criminal Code (sentencing for fraud), as reported (with amendment) from the committee.

**The Acting Speaker (Ms. Denise Savoie)**: There being no motions at report stage, the House will now proceed without debate to the putting of the question on the motion to concur in the bill at report stage.

**Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC)** moved that the bill be concurred in.

(Motion agreed to)

**Hon. Rob Nicholson** moved that the bill be read the third time and passed.

● (1020)

[Translation]

**Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC)**: Mr. Speaker, I am pleased to participate in this debate at third reading of Bill C-21. The provisions of this bill would amend the Criminal Code to strengthen sentences in cases of fraud.

In our entire legislative arsenal to combat white collar crime, the charge of fraud is the most important weapon. It criminalizes a wide range of acts of deception. That said, there are two very general elements that characterize fraud, and the general nature of these elements is what makes the charge of fraud the most effective tool to combat white collar crimes.

The first element is deception or some other form of dishonest conduct, which can exist in all kinds of situations and take on many different forms. The second element is a financial loss, which includes not only the actual loss of money or other valuables, but also the risk of such a loss.

The combination of these two elements constitutes a case of fraud. Essentially, fraud exists when someone uses deception to get another person to hand over their money. Theft involves taking someone's property without permission, while fraud exists when a thief is cunning or smooth enough to convince the victim to voluntarily

hand over their property. This deception exacerbates the financial loss since the victims feel ashamed and humiliated because they feel as though they contributed to their own misfortune.

The broad and flexible definition of fraud can also apply to securities fraud, such as accounting fraud based on overestimating the value of securities to shareholders and investors, incorrect declarations regarding a company's financial situation and Ponzi schemes, which we have seen recently in Canada and the United States.

Fraud charges are also an effective tool to combat other types of fraud dealing with mass marketing, mortgages, property titles, home renovation, health care and other types of insurance, and also taxes, not to mention the scams recently found on the Internet, for example, on eBay, where an article for sale is never sent to the purchaser even after it has been paid for.

The various measures contained in Bill C-21 for determining sentences for fraudsters aim to ensure that the crimes they commit are taken seriously. Currently, the maximum prison sentence for fraud is 14 years. This is the second highest maximum penalty in the Criminal Code, after life imprisonment. In that sense, it is a satisfactory maximum. However, it is possible to do more so that sentences correspond better to the devastating effects that fraud can have on its victims.

To begin, Bill C-21 establishes a mandatory minimum sentence for fraud over \$1 million. Currently, the value of the fraud is considered to be an aggravating factor, which means that the sentence should be increased according to existing maximum sentences. As a result of Bill C-21, this aggravating factor will automatically lead—yes, automatically—to a mandatory sentence of at least two years. Whether it was a single fraud or a series of them, only a complex, well-orchestrated and well-executed scheme results in more than \$1 million in losses, and it has likely included other types of crime, such as falsifying documents.

● (1025)

Fraud resulting in such significant losses must be considered a serious crime. The proposed two-year mandatory sentence is simply a starting point—yes, a starting point—that allows for the appropriate sentence to be determined. In fact, sentences for major fraud will also take into account all the other objectionable aspects of the offence, many of which are considered to be aggravating circumstances under section 380.1 of the Criminal Code.

Bill C-21 would add these new aggravating circumstances: the magnitude, complexity, duration or degree of planning of the fraud committed was significant; the fact that the offence had a significant impact on the victims, given their personal circumstances; the fact that the offender did not comply with rules or licensing requirements; and the fact that the offender concealed or destroyed relevant records.

*Government Orders*

In addition to the aggravating circumstances already set out under section 380.1 of the Criminal Code and the general circumstances set out in section 718.2, sentencing courts will take these new aggravating circumstances into consideration in order to determine a sentence that reflects the specific facts of each case.

Bill C-21 would also create a new prohibition order to prevent individuals convicted of fraud from reoffending. Specifically, it would allow the courts, when sentencing an offender convicted of fraud, to prohibit him from having authority over the real property, money or valuable security of others. That makes good sense.

The court would set what it considers an appropriate prohibition period. It would be an offence to violate such an order. The Criminal Code already provides for a prohibition order to prevent recidivism among individuals convicted of designated sexual offences involving children and child abduction offences. The proposed new prohibition order would offer the same protection, and the judge would have discretionary authority to make such an order. The judge would not make the order before the prosecution and the defence had the opportunity to comment on the impact such an order could have on the offender's ability to earn a living and other relevant considerations. In addition, the offender or the Crown could ask the court to vary the order.

Bill C-21 would also improve how the justice system meets the needs of fraud victims, with provisions on restitution and community impact statements.

At present, under the Criminal Code, the judge can order an offender to compensate victims when the situation warrants in order to offset losses, especially financial ones, suffered as a result of the crime. Bill C-21 goes further by requiring that the judge consider making a restitution order whenever an offender is convicted of fraud. Moreover, the judge would have to ask the Crown whether reasonable steps had been taken to provide the victims with an opportunity to indicate whether they are seeking restitution. The purpose of this measure is to avoid situations where the sentence is handed down before the victims have a chance to indicate that they would like restitution from the offender and to set the amount of their losses.

If the judge were to decide not to make a restitution order, he would have to give reasons for his decision. This should prevent the court from inadvertently disregarding the issue of restitution. What is more, the victims would be able to understand why the judge decided not to order restitution, where applicable.

In its original version, Bill C-21 required that the judge give reasons for his decision every time he decided not to make a restitution order.

• (1030)

For instance, if the victim has not made a request for restitution, the judge could simply indicate that reason in his or her justification. However, in the version amended by the House of Commons' Standing Committee on Justice and Human Rights that we currently have before us, Bill C-21 now only requires a judge to provide reasons for not ordering restitution where the victim has made an application for it. While this may seem logical and inconsequential, it does somewhat diminish the bill's goal of ensuring that restitution

is always considered in fraud cases, even in the rare situation where a victim does not seek restitution, but when restitution could and should be ordered by the judge. However, in order to get this bill passed, we are pleased that the provisions pertaining to restitution can remain in effect despite this minor change.

Bill C-21 also urges judges to consider the impact that fraud can have, not only on individuals, but also on groups and the community. The Criminal Code currently requires courts, when sentencing an offender, to consider victim impact statements describing the harm done to or loss suffered by the victims. In some cases, the courts allow such statements to be submitted on behalf of a community. Bill C-21 would explicitly allow courts to consider a statement made on a community's behalf describing the harm done to or losses suffered by the community when imposing a sentence on an offender found guilty of fraud.

Bill C-21 is but one aspect of this government's wider initiative to improve the criminal justice system's response to major fraud cases. I therefore urge all members here today to support the expeditious passage of Bill C-21.

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, on the issue of the restitution and whether or not the judge must give reasons for a decision, I found it interesting that it is the only amendment that was made at committee.

It would appear to me that if the clause were left alone, the court would always have to give a reason why the judge was not going to make a restitution order. By putting the amendment in, it means that we need two things, first of all that the victim does not seek restitution or does not give that indication. It would be an interesting argument. I would have left it alone.

However I understand that the reason the change was made, which the parliamentary secretary did not reveal to the House, was that the amendment was prompted by an intervention of the Canadian Bar Association for the reason that the courts were overtaxed and that it was going to be too much for a judge to be able to write orders for not giving restitution on all cases.

It then raises this question, and this is the reason I am rising. Why is it that the government is not even prepared to recognize that the courts have been overtaxed because of the inability to get the resources from the federal government to respect and enforce the laws of Canada? We make the laws. The government pays the bills.

I wonder if the parliamentary secretary would like to explain why he did not refer to the CBA intervention that forced this one and only change.

*Government Orders*

[Translation]

**Mr. Daniel Petit:** Madam Speaker, the hon. member is talking about two very extraordinary things. I have been a lawyer for exactly 37 years and I still work in the courts when I am not acting as a parliamentary secretary. I therefore know that all the courts across Canada, no matter what the province, have been overtaxed for 37 years. Is this because of a lack of resources? Is it because the Criminal Code is different? We could ask ourselves plenty of questions, but this problem is not new. We have had problems in the Quebec City district for 37 years. Over the years, the cases accumulate and nothing works. In certain instances, the victims and the offenders have to wait for their cases to be heard by the court.

With regard to the hon. member's second question, the committee, in its wisdom, decided upon this amendment when examining the issue of restitution orders. The Standing Committee on Justice and Human Rights works exactly the same way as the House does. The opposition is in the majority while the government is in the minority. Committee members came to an agreement that judges should write restitution orders. I would like to reread an excerpt from my speech so that it is clear.

However, in the version amended by the House of Commons' Standing Committee on Justice and Human Rights that we currently have before us, Bill C-21 now only—this word is important—requires a judge to provide reasons for not ordering restitution where the victim has made an application for it. While this may seem logical and inconsequential, it does somewhat diminish the bill's goal of ensuring that restitution is always considered in fraud cases, even in the rare situation where a victim does not seek restitution.

● (1035)

[English]

**Mr. Joe Comartin (Windsor—Tecumseh, NDP):** Madam Speaker, in the course of the hearings in the justice committee on Bill C-21, we had witnesses come forward who were basically saying that this was going to do little, if anything, to give our prosecutors and police the tools to effectively fight white collar crime.

Witnesses pointed to a recent story out of Toronto in particular. An individual had been accused of a Ponzi scheme, taking somewhere between \$23 million and \$27 million. About three weeks ago, the prosecutors in Toronto opted to withdraw all of the charges in spite of the fact that all of this money had gone missing from almost 100 people.

The committee heard that that was not a unique set of circumstances. The point was that we can pass all the laws we want, but we need to give our police and prosecutors the tools to prosecute these individuals. When the prosecutors have to decide between prosecuting these kinds of individuals and somebody who has committed a semi-violent crime, they are always going to opt to spend their time on that rather than on these because of the length of time it takes to prosecute.

I wonder if the member agrees with me that that is a good summary of the evidence. Is his government going to do anything about providing additional resources to our police and prosecutors in order to be able to effectively prosecute?

[Translation]

**Mr. Daniel Petit:** Madam Speaker, I want to thank my colleague, who is also a member of the Standing Committee on Justice and Human Rights.

He asked a two-part question. He mentioned cases in his province of Ontario. I would point out to him that in Quebec, we have had our own share of problems. We had the Norbourg and Earl Jones cases. In the Norbourg case, people had, or seemed to have, documents allowing them to sell certain products, but 9,800 people were nonetheless defrauded by a man by the name of Vincent Lacroix. As far as Earl Jones is concerned, he apparently was not licensed to sell a host of products involved in a Ponzi scheme in which he made off with about \$150 million.

The problem is that criminals are becoming more and more sophisticated, so in addition to needing financial resources, we also need intellectual resources. In future, some lawyers might also have to be forensic accountants in order to understand the dynamics of these crimes. Fraud is so sophisticated that it can take some time to understand the entire system that was set up. In the Vincent Lacroix case, Caisse de dépôt et placement sold the products to a company called Norbourg, and the government itself issued all the licences. Nevertheless, 9,800 people were defrauded out of \$115 million or \$150 million.

We need resources, but we also need to invest in law schools in order to provide lawyers with training in forensic accounting to help them understand the system and how fraudsters operate.

● (1040)

[English]

**Mr. Ed Fast (Abbotsford, CPC):** Madam Speaker, I want to commend my colleague from Quebec for his articulate explanation of the bill, which goes after white collar criminals. He also does great work at the justice committee. He is my colleague there. He is the Parliamentary Secretary to the Minister of Justice.

I would ask him to go just a little bit further and explain to the House, first, the kinds of cases that the bill intends to address and, second, his understanding of why the opposition parties continue to criticize this important bill that is so necessary for protecting Canadians.

[Translation]

**The Acting Speaker (Ms. Denise Savoie):** The hon. parliamentary secretary has one minute to respond.

**Mr. Daniel Petit:** Madam Speaker, that is not a very long time.

In summary, in the Criminal Code, we have what we call the fraud provisions, which have been in place since 1872. Now, we have set out a different way of doing things. From now on, when faced with a fraudulent scheme designed to steal pensions from poor people, we will have specific provisions under which minimum sentences can be imposed. This will send a clear message that stealing from our retirees will not be tolerated.



*Government Orders*

In Quebec, 9,800 retirees lost money because of an individual named Vincent Lacroix, who was sold a company by my own government's Caisse de dépôt et placement. It is unbelievable.

The purpose of our bill is to prevent these people from doing what they are currently doing and to put them in prison for good. The bill also proposes ways to provide restitution for victims because it is difficult for them.

**Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Madam Speaker, this bill is long overdue. The government introduced this bill in the previous session of the 40th Parliament and played political games with it. The government killed this bill with prorogation. Basically, the Prime Minister decided that prorogation would be good for his party and his government.

After the throne speech was read on March 3 and the House resumed sitting, the government waited 60 days before reintroducing the same bill. It was identical to the bill that came before the House in the second session of the 40th Parliament. Not one comma was changed. Every dot on every *i* was the same. Not a single letter or word was changed. It was identical. This Conservative government nevertheless waited about 60 days after the throne speech before reintroducing the bill. The Conservatives finally reintroduced it at first reading. Those familiar with the House rules know that only the government can introduce a bill at second reading. Neither the official opposition, nor the Bloc Québécois, nor the NDP can do so. Only the government can. So how long did it take the government to propose debate at second reading of Bill C-21 on white collar crime? The government boasts that it alone looks after the victims, believes that victims' needs are important, and is working on criminal justice.

The government left Bill C-21 at first reading for over 200 days. During that time, who was asking, praying, urging and begging the government to move debate at second reading? The victims. The official opposition. The Bloc Québécois. The NDP.

I have not heard a single Conservative member publicly ask his or her government to stop dragging its feet with Bill C-21 at first reading and to move forward with a debate at second reading. I have not heard one single Conservative member publicly demand that, but I heard the opposition demand it. I heard the Bloc members calling for it. I heard NDP members calling for it. I also heard many victims wondering why this Conservative government, which claims that victims and Bill C-21 are important, was not following through.

The Minister of Justice used every possible opportunity this weekend to say that there were criminal justice bills that absolutely had to be passed in the House and that he urged the opposition to stop opposing these bills. We just heard the same things from the chair of the Standing Committee on Justice and Human Rights, who rose to ask a question of the Parliamentary Secretary to the Minister of Justice. He asked the parliamentary secretary to explain why the opposition was opposed to this bill. That is not true. The opposition has always supported the government's desire to act quickly and effectively with respect to white collar crime and fraud. During the other session of the 40th Parliament, we tried to work with this government to ensure that this bill would pass.

• (1045)

However, the government and the Prime Minister decided to kill this bill by proroguing the House and Parliament. Then, when the

House resumed, they waited some 60 days before reintroducing it. And once it was introduced, they waited more than 200 days to move debate at second reading.

How many days did the House spend debating Bill C-21 at second reading after having waited more than 200 days to debate it at second reading? The House took only two days to debate this bill because the opposition parties, notably the official opposition, want this bill to become law in our country. The opposition does not oppose this bill, and none of the three opposition parties slowed down the process of passing this bill. It was the government.

I believe it is important to remind the members of these facts because I am not making this up. Anyone who has a calendar can figure this out based on the date that the government prorogued the House in December 2009. The prorogation lasted nearly two and a half months, and the House resumed its work on March 3, 2010, with the Speech from the Throne. But it was not until about 60 days later that the government reintroduced its bill. Then the government waited more than 200 days to debate it at second reading—if my memory serves me correctly, it was 216 days. I know that it was more than 200 days; I am quite certain about that.

And now for the content of the bill. The bill establishes mandatory minimum sentences for those found guilty of fraud. That is what victims were calling for. Victims called for other things as well, but the government, in its wisdom, decided not to include them in this bill.

• (1050)

[English]

The victims were asking for two things. One, they wanted to see stiffer sentencing for white collar criminals; and the government, with its mandatory minimum sentencing of two years for criminal offences that are what we would deem white collar crime, responds to the victims' request.

However, the victims had a second request. The victims wanted the government to eliminate accelerated parole review for white collar criminals. The bill does not address that at all. This is something that opposition parties have been asking for, for several years now, and the government has not addressed it. It does not address it in the bill.

*Government Orders*

Liberals attempted to bring an amendment to the bill that would have amended the Corrections and Conditional Release Act in order to eliminate the accelerated parole review for the criminal offences that are dealt with in Bill C-21. The chair of the committee ruled it out of order because nothing in Bill C-21 dealt with the conditional sentencing and parole legislation.

I challenged the chair's ruling. However, I have to admit that his ruling was correct because my amendment, which would have eliminated the one-sixth accelerated parole review for the offences contained in this particular legislation, was in fact beyond the scope of the bill.

The chair ruled my amendment out of order. I challenged the chair, and unfortunately the Conservatives, the Bloc and the NDP upheld the chair's ruling.

There is a piece of legislation in front of the public safety committee of the House of Commons that deals with the issue of accelerated parole review. However, that as well is a bill that the government has been playing political games with and has been holding up, not moving second debate reading and letting it sit on the order paper at first reading for days and days.

We believe the government must act to respond to the request of victims, and not just the victims but of a variety of civil shareholders, that the one-sixth accelerated parole be removed, be eliminated, and not just for the white collar criminal offences but for virtually every offence, if not indeed all offences. In fact, one could describe it as being an offence to the sensibilities of Canadians and of our criminal justice system.

There is another point of white collar crime that the bill does not address. That is the issue that it does not in any way, shape or form attach these criminal offences to institutions.

I would like to read an article by Darcy Henton that was published in the *Edmonton Journal* on May 5, 2010, headlined "Alberta wary of white-crime bill". It states:

A white-collar crime bill reintroduced by the federal Conservatives this week received a lukewarm reception Tuesday in Alberta from both a financial crime crusader and a fraud victim.

The justice bill, which had to be reintroduced after it died on the order paper when the prime minister prorogued Parliament last winter, sets a mandatory minimum two-year sentence for frauds over \$1 million.

●(1055)

The bill also requires judges to look at several aggravating factors that could increase the sentence and to consider victim impact statements and restitution.

Retired investment broker Larry Elford, who advocates on behalf of investors, said the new bill still appears to contain a loophole that exempts it from being applied to investment institutions.

"It's a wonderful gift to the investment industry," he said. "It would exempt the largest fraudsters in Canada. I can't understand why they would reintroduce the law with the same loophole."

Elford said the law wouldn't apply to corporations like Goldman Sachs which is currently the subject of a civil fraud suit brought on by the Securities and Exchange Commission, the national securities regulatory authority in the U.S.

"Any Bay Street operator could sell any product in any fraudulent and misleading manner and this bill would not apply," Elford said.

Edmontonian Jason Cowan has been pressing for tougher white-collar crime laws since he and a partner were allegedly defrauded of more than \$2 million in 1996.

"I think it's absolutely necessary that there are some checks and balances," he said. "These white-collar criminals are getting off all the time."

[The federal justice minister] said the legislation will make jail mandatory for fraudsters who bilk their victims out of more than \$1 million.

"Our government is standing up for victims of white-collar crime," he said when the bill was reintroduced Monday.

The justice minister then waited over 200 days before moving second reading debate. That is really what I would call standing up for victims of crime: using their misery, using their hardship as a political ball game. It is shameful.

The official opposition supports this bill. We have from the outset. We have never hidden that. Every single member of the Conservative Party and every single member of that Conservative government knows that the official opposition supports the bill. We supported it in the last session of the 40th Parliament. We made it clear. We were very public about our support. So for any member of the Conservative Party to rise in this House, or outside of the House, and claim that the opposition is opposing this bill or holding up this bill is simply an untruth. Pure and simple, it is an untruth, and no Canadian should believe that Conservative MP who rises in this House, or outside of the House, to claim that the official opposition does not support and has not supported Bill C-21, the white-collar crime bill.

Canadians should then ask themselves, if a Conservative, a member of Parliament, is willing to tell an untruth on something that is so clearly not true and easily refuted, what else are they telling untruths about? What other issues are they not telling the truth about? What other issues are they spreading untruths about? Canadians should ask themselves that question, because why would someone tell an untruth on the issue of claiming that the opposition, the official opposition, is opposing or has opposed this bill or attempted to hold up this bill when the facts clearly show that the government has held up its own bill in order to play political games with victims of crimes? That is despicable. It is scurrilous. It is deplorable.

●(1100)

**Mr. Ed Fast (Abbotsford, CPC):** Madam Speaker, I rise on a point of order.

Madam Speaker, you know that it is unparliamentary for a member of this House to accuse another member of lying. The word "untruth" that has been repeated on numerous occasions by this member is the same as the word "lie", and I would ask you to take her to task for this. That is unparliamentary language.

I know this member is better than that. I work with her at committee on a regular basis and this is something that is beneath her.

So I would ask you, Madam Chair, to rule on that.

**Hon. Marlene Jennings:** Madam Speaker, on the same point of order, the use of the term "untruth" is not unparliamentary. It is very factual. I did not accuse that member of lying. Had I done so, that would have been unparliamentary.

*Government Orders*

What I did say is that the member and any member of the Conservative Party and government who claims, in this House or outside of this House, that the official opposition has in any way opposed, in the past or today, Bill C-21, or in any way delayed Bill C-21, is saying an untruth.

**The Acting Speaker (Ms. Denise Savoie):** I thank the hon. members for their comments on this issue. I think indeed the word is getting very close to the line and I would ask all hon. members to be a little more judicious in their use of words in terms of what constitutes parliamentary language in this House.

The hon. member has one minute to conclude, so I would sincerely hope that she will be more judicious in her use of language.

**Hon. Marlene Jennings:** Madam Speaker, I take note of your statement. I also take note of the fact that you did not declare it to be unparliamentary. You stated that it comes close to the line, but you did not make a statement that using the term untruth, with regard to a member, is unparliamentary. I take note of that.

I will simply conclude my speech on Bill C-21 by stating again that the official opposition supported it. We demanded, asked, requested and begged the government to bring it forward in the last session of the 40th Parliament. We attempted to work with the government to get it through the House of Commons quickly. The government and the Prime Minister, in their wisdom, decided to kill the bill through prorogation. They waited, after the throne speech, over 60 days before reintroducing the exact bill, now under the label of Bill C-21, and then let the bill sit at first reading for over 200 days before finally proposing second reading debate.

It is clear. The official opposition supports this bill. We will be voting in favour of this bill.

**Mr. Ed Fast (Abbotsford, CPC):** Madam Speaker, I want to put it on the record here, without apology, that we believe that the Liberal Party is opposing or delaying this legislation for partisan purposes.

In fact, she as much as admitted that she challenged the ruling of the chair at committee, when she knew that the ruling of the chair was correct. I cannot think of a better example of delay than introducing amendments that she knew were out of order, then challenging the chair when he correctly ruled that the amendment was out of order. This has been the process at committee.

I also refer back to the discussions at committee on Bill C-4, where essentially the Liberal Party, in regard to the Youth Criminal Justice Act, where we are trying to introduce the protection of the public as a key and primary sentencing principle, is using the tactic of death by witness. They stack the witness lists and keep introducing witnesses in order to delay and obstruct the legislation.

I want to challenge her. Why is it that today in this House, when she and her party were given the opportunity to allow this bill to pass immediately—

• (1105)

**Mr. Paul Szabo:** When?

**Mr. Ed Fast:** —they said, no, we want to put up more speakers; we support the legislation but we want to go on and bash the government for a few hours today.

That is my question for the member.

**The Acting Speaker (Ms. Denise Savoie):** Order, please. I would ask all hon. members to speak once they have been recognized. That applies to all members in this House.

The hon. member for Notre-Dame-de-Grâce—Lachine.

**Hon. Marlene Jennings:** Madam Speaker, the member is creating fantasies. Yes, I challenged his ruling in committee at clause by clause, and it took literally between 30 seconds and 90 seconds to dispose of it.

Compare that Liberal delay to the Prime Minister proroguing Parliament, and suspending and paralyzing all of the work of Parliament for two and a half months.

It is laughable. It is risible that the member would get up and use that as an example of Liberals delaying this bill, with 30 to 90 seconds compared to two and a half months of prorogation, over 60 days before reintroducing the bill and then over 200 days before moving second reading debate.

I rest my case.

**Mr. Joe Comartin (Windsor—Tecumseh, NDP):** Madam Speaker, I asked the parliamentary secretary this but did not get an answer.

Although all parties are supporting the bill, and I will go into that in my speech as to why, I think there are concerns in terms of honesty and truthfulness. Would my colleague from the justice committee agree with me that the evidence we received at the committee was that the bill in its application would be applied in very narrow circumstances and that a great deal of the white collar crime we have identified will not be dealt with by this legislation? Would she agree that the portrayal of this legislation that it is the be all and end all, which is the role the Conservatives are trying to place on the bill, is not accurate, that the Canadian people are being misled if they were to understand the bill would do a lot to combat white collar crime when, in fact, it is not. I just ask if she agrees with that analysis.

[Translation]

**Hon. Marlene Jennings:** Madam Speaker, I agree with my colleague, the justice critic for the New Democratic Party.

[English]

My colleague from Windsor—Tecumseh is entirely right. The bill addresses a very small, teeny-weeny aspect of white collar crime.

*Government Orders*

Witness after witness came before the committee and said that in order for the government to really tackle white collar crime, it has to work with the provinces in order to establish real, coordinated, integrated teams with proper resources. As long as our court system and our prosecutorial core is overtaxed and overburdened because of a lack of financial resources and human resources, then they will continue to be put in a difficult position, as were the prosecutors in Ontario, in Toronto, with that major fraud case recently where they dropped the criminal charges against alleged fraudster because they said they simply do not have the resources. They had some major rape cases and they had to make the choice, either they prosecute the alleged offender, the perpetrator of the rape, or they go after the alleged fraudster. They had no choice but to put their resources behind the rape case at trial.

That is untenable. We do not hear Conservative members of Parliament speaking up and calling on their government to bring new resources to our court system, to the prosecutorial core. We are not hearing that.

When we look at what the government has done in terms of victims, the government, with the House, adopted a budget. In the budget there was \$10 million annually for programs and services to be given directly to victims of crime. The government did not spend all of the money. I believe it was \$4.9 million or \$5.9 million that the government actually spent in services and programs given to victims. It turned the rest of the money back to the consolidated revenue fund, but then turned around and spent over \$6 million, I think it was maybe \$10 million or something, more money on advertising that victims matter. How cynical is that?

• (1110)

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Madam Speaker, I was amazed earlier to hear some of the comments from across the way about how dare someone delay the proceedings by challenging the chair juxtaposed to that two and a half to three month break that we were under. I remember one of the Conservative MPs saying, we need to shut down the House, take all the bills over the side because we need to focus on the Olympics. I have no doubt in my mind that the four-man bobsleigh were warmed and tickled to death that their MP was at home cheering them on. My goodness, and they get paid \$156,000 for that.

Maybe Conservative members should debate a bit more. Maybe they should challenge the chair more often. I am tired of being in the House, as my hon. colleague from the NDP from Manitoba would also agree with me, in that in every debate that we engage in here I seldom hear from the government side. Members must raise the bar, push this debate beyond what it is in the public discourse, beyond the ads, beyond the newsletter. They should come into the House and make their money and actually say something that they believe in.

My hon. colleague actually did that and here is the point. She wants to make the bill tougher. She wants to make this right by making it tougher, and instead all we get is, "You are just delaying". Maybe the Conservatives should answer this question. Criminal offences of institutions exempt the larger offender. That is a very valid point. Would the member please comment on that?

**Hon. Marlene Jennings:** Madam Speaker, clearly there is a loophole. There is an issue that the bill does not address and we have not heard from the government as to whether or not it intends to

bring forth legislation that would address the issue and that is of financial institutions that commit fraud, that clearly, intentionally develop products and services with the intent to defraud individuals of their hard-earned and hard saved money. The bill does not deal with that.

That is the point that was raised by the retired investment broker in the article that I read out where he talked about how there is a loophole. In the United States there is the case of Goldman Sachs, which is currently being sued by the U.S. national securities regulatory body. Here in Canada the criminal offences would not cover any of that.

My question for the government would be why is it not bringing—

**The Acting Speaker (Ms. Denise Savoie):** I regret to interrupt, but the hon. member's time has lapsed.

Resuming debate, the hon. member for Windsor—Tecumseh.

**Mr. Joe Comartin (Windsor—Tecumseh, NDP):** Madam Speaker, the bill is going to pass. It is going to have support from all parties.

However, this debate is important because of the usual manner in which the government, in a more partisan manner than the Conservative Party, is presenting this bill to the Canadian public. When we look at the bill, we can ask whether it accomplishes what the Conservatives would like the Canadian people to believe it accomplishes. The answer to that is an absolute no.

This is a very narrow bill in its ability to fight white collar crime because of the different natures of white collar crime. One might ask: If that is the case, why are the opposition parties supporting it? It is because it does a little. The more important question would be: Why are the Conservatives so reluctant to go after white collar criminals when they do not seem to have any problem going after criminals of any other nature?

We have heard this comparison. In one of my questions earlier today I mentioned the Ponzi scheme in Toronto, Ontario that occurred in the period of 2007-08. Just a few weeks ago, prosecutors in the justice ministry in Ontario decided not to proceed with the charges that they had laid. The amount of money taken in that Ponzi scheme was somewhere between \$23 million and \$27 million and they opted not to proceed.

At the same time, if we look at any number of other cases, such as a corner store being robbed or an elderly woman having her purse ripped off on the street, those charges would be proceeded with. In both cases, the amounts of money that would be taken would be minimal by comparison to the \$23 million to \$27 million. However, those charges would be proceeded with and, if either one of those involved violence or a weapon, the people who committed those crimes would certainly be incarcerated and, in some cases, especially if it were a repeat offence, for lengthy periods of time.

If we take that same elderly woman who had her purse stolen and lost \$100 or \$200 and she, instead, had been ripped off by a fraud artist for hundreds of thousands of dollars, all too often that person would get away with it. The charges that were withdrawn in that Ponzi scheme was not an isolated case.

*Government Orders*

This is part of the delay that the Conservatives accused the opposition of, but we heard evidence from lawyers who acted for those victims. In the situation where charges are not proceeded with, in some cases charges not even being laid, people will complain that they have just been ripped off for hundreds of thousands or millions of dollars. Sometimes they are individuals and sometimes they are corporations. They will go to the police and talk to prosecutors and be told that is more of a civil case and that they will not even investigate. That is quite common, not just in Ontario but right across the country. The reason is that these cases are complex. They require a good deal of attention by investigators, the front-line police, who do this work and there are very lengthy trials in most cases, unless the individual pleads guilty.

That is the situation in the country and this bill would not address those problems at all. It would not make it easier, for instance, for the prosecutor to lay charges and get convictions. It would not make it at all easier for the investigators, the police, the forensic accountants and all the rest. There is no provision in this bill that would make their job easier.

• (1115)

Therefore, we have the same problem, in what is arguably the vast majority of cases, in white collar crime. If they are at all complex, we will continue to see this embarrassing process of victims not being cared for by our criminal justice system. They will be told that the crime will not be investigated or, if it is investigated, that charges may not be laid and that if charges are laid that they may be withdrawn because the prosecution cannot afford a one month, two month or three month trial.

The prosecutor estimated that the Ponzi scheme in Toronto, which I mentioned earlier, would take somewhere between three to six months. The prosecutor opted to spend the money on other crimes. This bill would do nothing about that. We are being dishonest with the Canadian people if we lead them to believe otherwise.

This goes back to begging the question: Why are we supporting the bill? This bill would do a couple of things that are worth moving forward on. Perhaps, if we start down this road, the Conservatives will see their way at some point to introducing more meaningful amendments to the code and to other legislation.

**Mr. Jim Maloway:** Get tough on crime.

**Mr. Joe Comartin:** As my colleague from Manitoba suggested, they might seriously get tough on crime. It is worth starting down this path.

I want to spend more of my time on what we should be doing as opposed to what the bill would do.

The bill introduces a mandatory minimum sentence. However, the committee did some research on this and a mandatory minimum sentence would be under some circumstances. Fraud, for example, would have to be more than \$1 million. There are also provisions for aggravating factors.

We had our researchers pull recent cases and it was found that the mandatory minimum sentence of two years has been, in the last three to five years, generally applied already, even though under the

existing Criminal Code sections there is no mandatory minimum for this type of crime.

However, our judges have been imposing harsher sentences and, in most cases, sentences of more than two years. I acknowledge that there have been exceptions to that, and we will probably hear that from members on the other side, but if we do an analysis of the cases that have come down in the last three to five years, we would find that a significant majority of them have had sentences imposed of more than two years.

Members of the House know that I am far from being a supporter of mandatory minimums. They do work in very narrow cases and white collar crime is one of the areas where they do have some impact. To understand the reason that they have some impact, we would need to go back and analyze the nature of the crime.

I am losing my voice because I have spoken so much in the last 10 days on crime bills in order to meet the agenda that the Conservatives have set. I will use that as an excuse to move away from what I was going to say on this bill and argue that I would use my voice less and we would have less debate in this House if the Conservatives simply used omnibus bills rather than introducing a bill for every section of the Criminal Code.

I will now get back to the point of this bill. With regard to the mandatory minimums and the nature of white collar crime, it is not a spontaneous crime. It is planned, generally speaking, over a lengthy period of time. Much like the senior level of organized crime, the majority of individuals who commit these crimes do know the potential penalties. They know at this point that we do not have mandatory minimums with regard to fraud charges in this country, in the white collar area in particular. I am convinced that it is one of the few areas where it may have a beneficial impact on reducing white collar crime. I am not a big proponent of it but it is worth trying if it will have even a minor impact.

• (1120)

The other provisions in the bill that we support would provide some additional guidelines and authority for our judges to take into account aggravating factors. Those are important in terms of the judges' being able to exercise discretion in determining aggravating factors, and we actually list those for them. It is hard to say that most judges would not see them there but it now formally authorizes them, which is a worthwhile step in terms of giving the judges greater jurisdiction.

I must admit that I had mixed feelings about having introduced, for the first time in the Criminal Code, the concept of a community being able to come forward and say that, overall, as a community, it has been a victim of this particular white collar crime. Up until this point, the only provisions for victims' statements were those from individuals. That could be a corporation but an individual corporation.

*Government Orders*

This would allow a whole group of people to have a representative speak on their behalf. I do have some concerns about this section because it is the first time we have tried it. The provisions within the bill, in terms of how this will be conducted, for instance, will more than one representative be allowed to speak for the community that has been so negatively impacted by this type of crime, are not clear. That will be left to the judges to sort out. The bill does not define, in any way adequately, what a community of interest is, and I think that will pose some problems for our judges.

Having said that, I am still supportive of experimenting with this but I thought it would have been much better for the government to have come forward with clearer guidelines for our judiciary when they are allowing community statements to come forward. I cannot forecast whether this will be a worthwhile experiment and a successful one or whether it will not be used.

What is certain, and this goes back again to resources, is that it would make trials longer on the sentencing side. I do not think there is any doubt that would produce some additional hours, if not days, added on to these trials. If the individual is convicted, the sentencing process will be much more extensive. That is a worthwhile risk to take because, if it works, it would allow victims to have meaningful representation. I have heard this from my clients when I was practising and I have certainly heard it from victims' groups that came before committee at various times, that the criminal justice system is intimidating to them as individuals.

If they can afford to hire their own counsel, and the vast majority of them cannot, especially since they have suffered large wealth losses in these cases, this process would make it easier for them to have a representative for both themselves and the rest of the group that has been affected. It would also allow the judge to hear better evidence of how extensive the fraud was and how damaging it was.

There would be better evidence going in than we get at the present time because individuals would do this or a prosecutor, who is way overburdened, would need to attempt to get that kind of evidence in front of a judge in order for the judge to understand just how severe the impact was of the white collar crime.

• (1125)

For those reasons, I think this is a very worthwhile step to take. Hopefully it will work and hopefully this government will see its way. As opposed to spending billions of dollars on prisons, it would put more money into the transfer of dollars from the federal government to the provinces so that the numbers of our prosecutors, police and judges could be expanded to deal with this problem. So we would not have the situations we do now.

In the majority of cases of white collar crime, there are significant complexities and charges are being dropped or plea bargaining done so that the penalties are either minimal or certainly not in keeping with the severity of the crime itself. Resources have to be put in place. Rather than spending an estimated \$9 billion or \$11 billion over the next few years for expanding our prisons, we need to be using a good deal of that money to transfer to the provinces to give them the opportunity to have more judges appointed, more prosecutors in place and certainly more investigators, so that these cases can be effectively prosecuted.

It is very clear that if we are going to combat any type of crime, the individuals who are contemplating committing those crimes will have second thoughts. We know this, and all of the evidence we have tells us this. It is almost a certainty that if they think they are going to get caught, they have second thoughts about committing the crime.

We need to show that we have a meaningful system in place to fight white collar crime: investigate, prosecute, convict and sentence. That message needs to be out there for the perpetrators, who are generally fairly sophisticated people. If they understand that system is in place, that they will be caught, prosecuted and receive harsh penalties for the crimes they have committed, the amount of white collar crime will be reduced. I firmly believe that. However, we do not have that system in place now, and this bill does not do anything to put it in place.

I would also like to raise some of the alternatives. As I have said repeatedly, this bill does not go far enough. Some of the evidence we got in committee, called by the opposition parties and not by the government, showed other legislative mechanisms that we could put in place. I will point to one that we heard on the final day of evidence before we went clause by clause on this bill.

We had two lawyers come before us. One was a former prosecutor for the Ontario Securities Commission and the other was a lawyer who, for almost his entire practice at a large Toronto firm, worked with victims of a variety of natures of white collar crime.

The prosecutor, who had spent a good deal of his professional career working for the Ontario Securities Commission, pointed to one of the things that was occurring in the United States that they had found to be fairly effective. This was on the stereotypical Ponzi scheme.

The way a Ponzi scheme works is that those people who first buy into it tend to get paid with money from the subsequent victims of the scheme. The initial so-called victims of the scheme, in a lot of cases, make a lot of money. The rates of return are not the 1% or 2% that we currently get at banks and financial institutions. They get returns of 40%, 50%, 100% to 200% in the first few years of the scheme. Of course, the people coming in at the end, before the Ponzi scheme is identified and the person is caught, so it stops, end up losing all of their money.

A number of states, New York being the leading one, have begun to lift the veil on all of those transactions. They go back to the initial "victims" who have, in many cases, made huge profits as part of the Ponzi scheme, even if they did not know it was a Ponzi scheme; or they might have known. They are required to put the money back into a central pool and whatever money is left is distributed throughout.

We need to put in place regulations that would allow us to do the same thing in Canada.

*Government Orders*

• (1130)

**Mr. Ed Fast (Abbotsford, CPC):** Madam Speaker, I want to thank my colleague on the justice committee for his intervention. I do appreciate the thoughtful manner in which he articulates his views at the committee, although we often profoundly disagree, the NDP emphasis of course being on the rights of offenders, whereas our Conservative government focuses on the voices of victims and protecting the public against crime.

That said, as he knows, the Liberal Party has made it very clear that it wants to continue debate on this bill, even though on the face of it, it says that it supports it, but it wants to continue debate and continue to delay.

I would ask my colleague from the NDP whether he and his party would be prepared to pass this bill now so that we can move on to some of the other bills that are awaiting debate in this House. As he knows, our government does not want to delay criminal justice bills. We want to get them passed to ensure that the safety of Canadians is protected.

My question for him is this. Would he be prepared to co-operate with us, move this bill into the other place so that we can get it passed, give it royal assent and put the protection of Canadians at the forefront?

• (1135)

**Mr. Joe Comartin:** Madam Speaker, I was really hoping that somebody from that side was going to ask me this question. I have two answers.

First, on the NDP's role in protecting victims, I always remember the session we had with Gord Mackintosh, who was the attorney general at that time for Manitoba. We were having a debate on how we deal with crime, and in particular the victims, and he said that there is not a political movement or political party in this country that has greater claim to protecting members of society, in all of the work that it has done, not just in crime areas but in all areas. That is our responsibility in the crime area, in the criminal justice system area, as it is in protecting people, to see that they have adequate housing, that our foreign affairs protect them, and we could just go down the list. That has been a guiding principle for me since I have had that discussion with him, because it is true. As a political movement and as a political party, as social democrats, our primary responsibility has always been to take care of people in our constituency base.

I want to answer the question about whether we want more debate on this by responding with a question. Did the member, did the Minister of Justice and the parliamentary secretaries for justice and public safety go to the Prime Minister and say to him, "How come you keep proroguing? How come you keep having elections when you promised to work at fixed dates?"

Did those members on that side, who claim to be concerned about victims, say to the Prime Minister, "We have had Bill C-52. That was the predecessor to Bill C-21. It sat on the order paper. It got knocked off the order paper because you prorogued. How can you keep doing this? We have 15 or 16 crime bills, public safety bills".

Did they go to the Prime Minister and say, "Stop doing this. If you are really concerned about victims of crime in this country, and we

believe that these bills are going to make a difference, why do you keep putting them off?"

**Hon. Larry Bagnell (Yukon, Lib.):** Madam Speaker, you are doing an excellent job as always.

Of course there are always thoughtful interventions by the member, with his deep knowledge in this area, but I have to say that I disagree with him, as do some of my colleagues actually, on the point he made about suggesting that all these Conservative justice initiatives, albeit that is all they have, should go into an omnibus bill, because then they could pass a number of bad initiatives all at once.

As he knows, the justice agenda of the Conservatives has been basically a disaster. That is evidenced of course by the fact that they are going to have to build more prisons because they have not dealt with the things that reduce crime, the root causes of crime, which are rehabilitation and alternative sentencing, all things that are proven to reduce crime. They have been a failure at that.

However with the bills they have brought forward, as the member also knows, being on the justice committee, not only has the government stalled them by proroguing and calling illegal elections, but the bills have had to have many amendments because they are so poorly written, because they did not accept the advice of the justice department, the experts. It bulldozed ahead and brought forward bills that are totally contrary to what the experts said would reduce crime and that need a whole bunch of improvements.

Why would we want to pass all these bills quickly, this poor legislation, in an omnibus bill without taking the time to at least correct them and make them better legislation?

• (1140)

**Mr. Joe Comartin:** Madam Speaker, I did not say I was going to support passing the omnibus bill. I would do my job as the justice critic and expect other members of the committee to do the same. In a minority government situation, we would have chosen those parts of the omnibus bill that in fact had meaningful effective mechanisms to fight crime of whatever nature.

Other than that, we would have deleted parts of the omnibus bill that were meaningless and all for show. I am not saying we could have done this all in one bill. However, I have done some analysis of this. Of the 50 to 60 bills that we have had, some of which are before public safety and national security and some in front of justice, if we divided them up we probably could have done it in a total of about 5 or 6 omnibus bills.

Then when they were in front of the committee, we would have meaningful representation from witnesses, including victims, so that we had a very clear picture of what we were going to come out with. Then we would do our job as opposition members to take out those sections that were not of any use and to put in additional sections that make the laws more effective, which we have done with a number of bills, including one of the amendments that we did to this one.

*Government Orders*

What I am saying is that the omnibus bill process is actually shorter because, as opposed to calling the same type of witnesses and in some cases the same witness over and over again, when they appeared they would be able to speak to perhaps four or five parts of the omnibus bill as opposed to having to come back four or five times to deal with separate bills.

Therefore it actually would have sped up the process for the amendments that are necessary for the code to try to get the code into the 21st century. It is a much more meaningful and useful process in a minority government situation. It would have allowed the opposition parties in effect to have a meaningful and I think much more effective role to play.

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Madam Speaker, I note that this is a government bill and the government says it is very concerned about victims. However it seems to me, as I look at the bill, that there are some problems with the scope of it. One is that it does not cover all white collar crimes. I think that is a real problem.

The second thing that jumps out at me is that the offenders are not compelled to compensate their victims.

Those seem to be perhaps a couple of weaknesses of the bill, and I wonder if the member would like to speak on that.

**Mr. Joe Comartin:** Madam Speaker, there is no question that this is a very narrowly focused bill with the way the government is defining fraud.

We never got any satisfactory answer from the government. There were specific suggestions made to the Minister of Justice when he was in front of the committee about areas it was not covering. He admitted that, but gave no explanation as to why the government did not broaden it.

I have my own reasons. I think the government just wanted to run a bill through here as quickly as possible, drag out victims and say it has done something. A more complex bill would have taken longer to draft, although the government had two shots at it, so we would think it could have still done it in that period of time.

On the other point of the whole issue of restitution, the bill addresses the issue of restitution but it really does not expand in any way beyond what we already have.

The point that I made earlier in my speech about going after the people who have received benefit, who are not the perpetrators of the crime but received benefit from it, would be a very good area for getting additional dollars of restitution to all of the victims of the fraud scheme.

[*Translation*]

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** Madam Speaker, I would like to begin by saying that we are going to vote for this bill, albeit somewhat reluctantly, as the bill has clearly been cobbled together and is deeply flawed. Still, it is true that Parliament must give the impression that it is doing something about major fraud of the sort that has made the headlines in recent years, especially in the financial sector.

We will vote for this bill, even though it provides for a minimum sentence. I am confident that the sentence will likely never be

imposed, for the good reason that frauds over \$500,000 or \$1 million have always led to much longer sentences than two years, which is what the government wants to add.

Nevertheless, it is disturbing because, as usual, when the government sets minimum sentences, it is thinking of the worst criminals. The government tends to forget that minimum sentences do not apply just to the worst criminals, but also to minor accomplices to crime.

I get the feeling, though, that this law is so complicated that no one will dare apply it to people who have played a lesser role in frauds of \$1 million, such as the telephone operator for a business or a secretary in an office.

The government is forgetting that the definition of “accomplice”, which the Criminal Code calls “parties to offence” or “participants à une infraction” in the poor French that is a direct translation of the English, applies only if there is abetment. Subsection 21(1) states:

Every one is a party to an offence who

(a) actually commits it;

(b) does or omits to do anything for the purpose of aiding any person to commit it; or

(c) abets any person in committing it.

Paragraph (b) is the most significant.

This has to be coupled with the doctrine of wilful blindness. The doctrine of wilful blindness means that an individual has to know something in order to commit an offence. Knowledge is therefore a key element. In the case of a company that begins systematically defrauding its clients, as Vincent Lacroix's companies did, when some people begin to suspect that activities or money collected for clients are being used to defraud people, they cannot use the excuse that they did not know because, in fact, they had suspicions but may not have wanted to ask any questions.

This doctrine may apply to the employees of a company that has every appearance of legality at first or the employees of a brokerage firm that misuses funds and where people play minor roles, such as a young bond seller who did not initially think the money he was collecting would be used for that purpose.

This brings me to the clerical staff, who at some point begin to wonder if the business is in fact seriously involved in fraud worth millions of dollars. I do not think anyone would even consider sentencing these people to two years in prison. However, they are accomplices if they decide to stay, given that, by continuing to perform their duties, they are encouraging the company to continue committing fraud.

Wilful blindness is important because clearly, the secretary, junior salesperson or telephone operator is going to realize sooner or later that the company is not a regular investment firm, but rather has a criminal purpose. At some point, they will say they had their doubts, but that they were just secretaries after all. Consider the example of the Canadian woman who was caught in Mexico around six months or a year ago, who said exactly that about some frauds that had been committed.



*Government Orders*

●(1145)

When someone suspects that something may have an illegal purpose, but refuses to ask any questions because they do not want to know the answer, that is known as wilful blindness. Wilful blindness is the same as knowing. That theory is beginning to be widely accepted in drug-related cases. Looking at a real case, someone is asked to bring back some scuba diving tanks. He decides to do it for someone he has met only once, who offers to pay him well for doing so—more in fact, than the actual value of the tanks. He does not know what is inside, and does not want to know. When he is arrested, he will be very surprised to learn that the tanks were full of drugs. This is an example of wilful blindness regarding what was in the tanks. Accordingly, he would be guilty of importing the drugs that were in the tanks.

This also applies to fraudulent businesses that appear to be legitimate. They hire people who, in the beginning, believe that they are working for a perfectly reputable company; however, at some point, they realize that the business is fraudulent. A young single mother with two or three children to care for would want to keep her employment. From now on, she will be guilty of a crime with a minimum sentence of two years in prison. When we bring this type of case to the attention of the Conservatives, they say that the police or a prosecutor would never lay charges in such cases. In all likelihood, this is true, but what does that say about this legislation, which is not serious enough for the police to use or for crown attorneys to prosecute? In my opinion, this is bad legislation that must be amended to cover specific cases.

We previously proposed that, with this bill and others, we follow the example of other Commonwealth countries that also fell into the trap of imposing minimum sentences for everything but, at a certain point, felt they needed to implement safeguard clauses. In some circumstances, when a judge finds that, given the role the accused played and the few benefits they obtained from the crime, the minimum sentence is really unfair to the accused, the judge could have recourse to these provisions and justify, either orally or in writing, why he was not imposing the minimum sentence.

The Conservatives hate judges so much and have so little trust in them that they would rather trust the police. They tell us that the police or prosecutors would not lay charges in these cases. They do not want to give this discretion to a judge who has experience hearing such cases and who would render a decision after hearing from both parties. Instead, they would rather have the police or crown attorneys act as judges and decide not to prosecute before the issue goes before the courts. This is a major flaw.

Then there are provisions for ordering the restitution of the proceeds of fraud. Once again, that is very good and it is being done already. It is already provided for in the Criminal Code, although it is not a requirement. There are many instances when it is not practical. Furthermore, a criminal court cannot easily intervene in civil matters. Quite often, fraud on this scale is not committed by just one person, but by many. Although they are all guilty of the same offence, their participation must be differentiated.

The accountants, secretaries and junior salespeople just hired by the company must be treated on a case-by-case basis by the judges. When it comes to the restitution order, the court must suddenly

transform into a civil court and determine that one party will be responsible for 50%, but that the accountant is responsible for 20%. As for the young salespeople who sold the first, legal securities, but who then allowed the fraud to continue in order to pay back the funds, they have a lesser responsibility.

●(1150)

If 15 people are involved, the judge will have to determine the order of restitution. In civil law, this is not really a problem because everyone shares the responsibility for the entire amount. However, in criminal law, the share of responsibility must be established. If a judge sentences one individual to repay 50% and another to repay 3%, what happens to the person who does not repay his 50% compared to the person who, according to the judge, is responsible for 3%? In any event, this will give rise to many problems.

Other problems have been pointed out by two Toronto lawyers with rather extensive experience. I believe that one of them has even served as the chair of the Ontario Securities Commission, the equivalent of our *Autorité des marchés financiers* in Quebec. They too said that it would complicate trials considerably. That makes me think of something I often say: bad laws make good lawyers wealthy. I know something about that; I can attest to it. More complicated trials, and minimum sentences that may one day be applied to cases that do not warrant it, will result in pre-trial negotiations and the prospect of a great deal of work for lawyers.

Among the restrictions the judge will have to consider, one is very intriguing and it involves real estate activities. Really, I remember a judge who was convicted of money laundering. His fall was total. He was never able to practice law again. He ended up working as a building caretaker. Under this bill, he would not be able to do that any more because being a caretaker involves real estate activities. He could no longer collect rent, wash the stairs or make repairs to apartments because all that involves real estate. We see that the government still wants to take away discretionary power from judges. Would it not be better to leave it to judges to apply conditions to sentences, as they currently do? I have not heard any complaints about the way judges exercise the very broad powers they have for imposing conditions on parole and on this punishment, because quite often, it is imprisonment with a probation period during which certain conditions have to be respected.

By leaving them this discretionary power, we will have conditions that are perfectly suited to each specific case. Here the government is introducing a great deal of rigidity. In fact, the Conservatives lacked imagination when they established the various conditions available to a judge during sentencing. It is as though they copied the ruling in the Vincent Lacroix case and pasted it into the legislation. Obviously, the Vincent Lacroix ruling was perfectly suited to that case. We can expect that future conditions will probably differ from those in the Vincent Lacroix case, even if they are equally deplorable and significant.

*Government Orders*

The other thing that strikes me is this constant desire to show that they are tough and their attempt to apply that to very objective criteria such as sums of money. That is truly very important. In practice, fraud involving small amounts of money can be much more heinous than fraud involving banks or major financial institutions. I remember seeing some rather remarkable examples.

• (1155)

I was retained as one of the lawyers who had to help a judge determine which of the offenders known as habitual criminals met the new definition in this part of the Criminal Code when the part entitled “habitual criminals” was removed from the Criminal Code and redefined as “dangerous offenders”. The term “dangerous” implied a risk of violence. The government therefore appointed a judge. I think there was even a commission headed by a single judge who was directed to examine, one by one, all cases where there had been no violence and where the people had been declared to be habitual criminals but were not violent.

Anyone sentenced as a habitual criminal was sentenced to an indeterminate sentence. Ordinarily, the end of a sentence is always known, but in this case, the sentence served was indeterminate and it was reviewed every two years to see whether the person was still a so-called habitual criminal.

In the section, we had several examples of con men. In fact, the way they operated was sometimes quite funny. One case I remember was a con man who operated on a regular basis. I have to point out that this was really several years ago. At the time, there were more women at home than today, because a lot of women work during the day now and are not at home. This con man would generally arrive at a woman’s home with packages that bore a resemblance to Canadian Tire packages, and tell the woman that her husband had ordered some tools. He handed her the tools and asked to be paid in cash. The women had not heard anything about it. So he collected \$10 or \$15 or \$20, amounts that seem negligible today, but that were significant at the time because people earned less than \$100 a week. It seems that his success rate was about one out of five.

What the police officer who had arrested him and put together the evidence for him to be declared a habitual criminal rightly observed was that he was taking money from disadvantaged and somewhat naive people, and it was a very serious thing for them.

Another con man used this trick: he would go to someone’s home and tell them he had been sent by the landlord to repair something that was not working. Is the heating system not working? Right, he would check it out. And then he looked at it, he took the pieces of the furnace apart, and he said he absolutely had to go and get an essential part at the store. Then, since he unfortunately had no money on him, he asked the victim to lend him \$40 so he could buy the missing part. I do not know whether that con man’s success rate was one out of 12 or one out of five, but it was still a very substantial rate.

These are not major frauds, and the technique was actually quite crude, but what is important is that they often succeeded. It was more serious than some bank frauds, because money was being taken from people who genuinely needed it, people who were already in need. It amounted to taking advantage of their naivety.

At the time, these people were considered to be dangerous enough to be declared habitual criminals and left in prison for an indeterminate period.

In the case of fraud, there are many different things to consider, beyond the amount. For example, jurisprudence exists for fraud committed by someone in a position of trust and for specific types of fraud, for example, if the individual took advantage of seniors or naive individuals. Jurisprudence also exists for the impact of fraud on victims. All of these elements are regularly taken into consideration.

We must give judges the discretion they need to deal with each case individually. I am not saying that the Conservatives have taken that away here, but they have made it very strict.

• (1200)

I have only one minute left, so I will conclude by saying that this bill does not do any harm. However, this is far from the major reform we would have liked to have seen and that should have applied the six points. I am sure that my colleagues will talk about the plan presented by the Bloc Québécois over a year ago.

• (1205)

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I very much appreciate the member’s input into the bill. He has also informed the House and Canadians of a number of other aspects of the bill well beyond mandatory minimums.

In listening to the debate so far, it would appear that the most significant disclosure and the most challenging problem for Parliament is to determine how we will deal with a serious Ponzi scheme in the tens of millions of dollars. If it is thrown out with no restitution to anyone because there is no case, we have to make a choice. Do we do the rape case or do we do the Ponzi scheme? It is very telling.

The other telling point is this. The reason underlying this is that the federal government makes the laws, but the provinces must enforce them. However, without the resources to enforce those laws, how can anyone argue that we are tough on crime when those new laws and provisions of the Criminal Code cannot be enforced simply because the federal government has not decided to support the enforcement of the laws at the provincial level?

Would the member like to give us his thoughts and words of wisdom on how we deal responsibly with justice bills that try to be tough on crime?

[*Translation*]

**Mr. Serge Ménard:** Mr. Speaker, our colleague raises a very important point. Ponzi schemes are pyramid schemes, which are already an offence under the Criminal Code. People invest a certain amount of money and that enables them to recruit ten other people who also invest a certain amount. Each gives a percentage of his earnings to the person who recruited him, who then gives a percentage to the person who recruited him, and so forth. It is a lot like a pyramid scheme, except that the people inside the pyramid do not benefit. In a pyramid scheme, everyone inside the pyramid benefits. To pay off the most recent investments, everyone on earth could be involved and there still would not be enough.

*Government Orders*

It would be very difficult for a judge to redistribute the money in a fair and just way to the people who were defrauded in a pyramid scheme like this. One thing is clear: there is no easy answer.

In addition, it is the provinces that are responsible. When it comes to fraud, the RCMP also gets involved. In view of these new kinds of fraud, we think that multidisciplinary teams based on the Carcajou squad should be created. In this approach, accountants share their expertise with the police.

[*English*]

**Mr. Ed Fast (Abbotsford, CPC):** Mr. Speaker, I noticed that my colleague, who is on the justice committee, gave guarded support to the bill. One of the reasons was he felt there was much more that could be done to protect victims of crime, especially in the area of fraud. I would not disagree with him. There is so much more we can do to protect Canadians against shysters and fraudsters who prey on the vulnerable.

Perhaps he could help us pass some of those 20 bills that are still stalled in the House and at committee. Our government is very intent on getting these criminal justice bills passed on an expedited basis, and I ask him for that support.

Could he also expand on the kinds of criminal justice initiatives our government could still bring forward that would protect the vulnerable, such as seniors, against fraud? Some of the areas the bill does not extend to yet are issues such as securities fraud and other related types of crimes. Would the member expand on how we can go even further in protecting Canadians against these kinds of crime?

• (1210)

[*Translation*]

**Mr. Serge Ménard:** Mr. Speaker, I want to start by pointing out, as others have done, that we are not responsible for the delays. These are bills that the Conservatives allowed to die on the order paper. Another of the main reasons why these crime bills have been delayed is all the prorogations. Surely that has been said often enough.

We had a six-point plan: first, completely eliminate parole after one-sixth of the sentence has been served—Vincent Lacroix was released after serving one-sixth of his five-year prison term, although he was subsequently sentenced again; amend the provisions in the Criminal Code on the confiscation of the proceeds of crime to include language covering fraud over \$5,000, and not just over \$500,000 or \$1 million; reorganize the police, especially the RCMP, to create multidisciplinary teams specializing in economic crime; require banks to report irregularities in trust accounts to the *Autorité des marchés financiers*—that is what should have been done in the case of Vincent Lacroix and Earl Jones because the banks suspected fraud but did not report it; amend the Income Tax Act to help victims, especially through a new provision allowing fraud victims to deduct the amount that was stolen from their income, instead of treating it as a capital loss—the way things stand now, people have to pay taxes on illusory profits declared by their fraudulent brokers; and amend the Income Tax Act to prevent the use of tax havens, as endorsed by the Liberals and Conservatives, which enable individuals and companies to hide money away and evade taxes.

We already presented this six-point plan, but very little has been done so far.

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, I know that the hon. member has just made several references to this effect, but I am interested to hear his comments on the government's hypocrisy, both in terms of this bill and in general. For example, he is trying to say that the opposition parties are against the government's program, but we have heard here several times that the opposition parties support measures that are tough on the type of crime we are discussing today. In fact, the government's decision to prorogue Parliament and the delays the Conservatives themselves created are the reasons why we are in this position today. I would like to hear his comments on the hypocrisy of the Conservative government.

**Mr. Serge Ménard:** Mr. Speaker, the member who spoke before me chose her words well and she is absolutely right. The only thing the Conservatives care about when presenting their strategy on crime is looking like they are tough on crime, as though that could reduce the crime rate.

I never hear them talk about how their measures will reduce crime. Their approach has been tested: apparently Saudi Arabia is also very tough on crime. The United States is a great example. In one generation, that country's incarceration rate, which was once on par with ours, exploded to 763 individuals for every 100,000 inhabitants. We are still at about 130 individuals for every 100,000 inhabitants here in Canada. We fall somewhere in the middle in comparison to Europe because incarceration rates in western European countries are lower than ours. Our rates are comparable to those of Scotland and England. That type of approach does not work.

And that is probably why the government has so many short bills. It talks about victims. But what has it done for victims? The only thing it has given victims is the satisfaction of seeing that the criminals who made them suffer will suffer a little bit more. I do not think that this is any consolation to the vast majority of victims. They would rather have help.

• (1215)

[*English*]

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, it is my pleasure to rise in the House to speak to Bill C-21. Following on the remarkable comments of my friend and colleague from the justice committee and the Bloc member's comments, it is a good theme to continue.

Much of the Conservatives' anti-crime agenda purports to help victims. It purports to take victims' rights over those of offenders, over those of politicians, over those of many other groups in the community. However, much of what they actually do in terms of the legislation has little positive impact on the victims at all.

I think in the area of white collar crime more than anything where what was taken away, in terms of assets or wealth, is sought to be restored, this is the most apt example of how not seizing on the goal of anti-white collar crime, which is the restoration, restitution, recovery of wealth lost, the government is doing a disservice.

*Government Orders*

In other forms of crimes, I suppose one could argue very cogently that that which was taken away, whether it was life, liberty, or sense of security, cannot be easily returned. They are not things that are in the marketplace. It is very difficult in the case of a violent crime to return the victim's sense of security. It is not a market commodity.

In this case, however, we are talking about the victims of white collar crime whose wealth, nest eggs and futures have been stolen through deceitful and fraudulent means by someone else. It would seem to me that in addition to increasing penalties, which is really all this bill would do, the government, which has now been in power for five years, even administratively without having to come to this place, which it really does not like to do very often anyway as its record on prorogation shows, might have administratively notched up its game on the recovery of assets.

Instead, as I will show in my speech, it has been left to the devices of the provinces with respect to their powers under property and civil rights.

I want to apologize in advance if my speech seems a little familiar, but there is a recurring theme on these bills in justice. I sit on the committee; I have for five years. All the time we see bills, and this case is no different, that seem to the other side to be strong electorally and politically, but not so strong on policy.

We have seen bills on auto theft, on the reporting of child Internet pornography, and now this one on white collar crime, all of which have pithy and exciting titles which, on a quick reading of the short title, would lead people to believe that the problem is solved, that we have a cure and there will be no more white collar crime, no more child pornography, no more auto theft.

That is not at all the case. The government's steps are baby steps toward those evils in our community and, as with all Conservative government agendas, the sound bite of the short title is more important than the pith and substance of the legislative tool.

The government's publicity machine will go to work and tell everyone that Bill C-21 emphasizes standing up for the victims of white collar crime and that Canadians will feel a lot safer about their nest eggs.

Electorally it is a gamble. There is the saying that one can fool all of the people some of the time, or one can fool some of the people all the time, but the message to the government today on these legislative bills toward crime with their very sexy short titles is that the government cannot fool all of the people all of the time.

It has been five years. We have to start thinking in the Parliament of Canada that the Conservatives have driven the government's legislative agenda for five years. I would love to see a survey as to whether people feel safer in all areas, but let us concentrate on white collar crime. I would love to know whether people feel they are less likely to be made the victims of losing their nest eggs and fortunes than five years ago when many of the tools that the Conservatives possess as government could have been used.

● (1220)

Let us take a quick look at the history. It has been a very prolific period these last five years for embezzlers and fraudsters. Today, Madoff and Earl Jones are household names, but they were not 5 or

10 years ago. There has been a real run on fraud, Ponzi schemes, investment schemes, direct mailing and direct investment schemes. These have taken a lot of wealth out of communities in Canada, largely from people who have saved all their lives for retirement, which in some cases now they cannot afford.

If we look at the title of this bill, it is obvious the bill falls short of the expectations. It does not make Canadians safer. The Earl Joneses and Vincent Lacroixs of this world are still around. Last month, in fact, Carole Morinville was arrested in Montreal in another Ponzi scheme investigation. These investigations are not carried out solely by the Conservative Party or the government; they are all conducted by police forces.

What do we hear from police forces? They are under-resourced. What do we hear from the government? The government says that it has added 1,000 more RCMP members. It has not. It is a shell game. The government does not deliver on what it promises with respect to manning police forces across the country. Ask any police force that question.

Ask the people of Moncton—Riverview—Dieppe whether they are happy that the government has not moved on giving the 10% subsidy it gives to every other RCMP force in Canada, except the one in Moncton—Riverview—Dieppe. That is the same as saying that one out of ten crimes will not be investigated or prosecuted. That may be okay for the nine cases where the criminals are prosecuted, but what about that other case? There will never be the chance to have an investigation and prosecution in that other case because the government will not stand up for its principles with respect to prosecuting criminals.

The government has been in power for five years and gives lip service with short titles and publicity bills. It is not enough. Over five years, as I have mentioned, serious things have happened. White collar crime is far more serious than it was when I was first elected.

● (1225)

[*Translation*]

White collar crimes and tax fraud are very serious problems. These crimes wreak havoc on the lives of victims. People can lose an entire lifetime's worth of savings overnight. When people lose their entire life savings, they lose faith in the idea that if they are doing their part, if they work, they will get their fair share.

This nation-wide loss of faith is dangerous because it can be passed on from one person to the next. The government is thus called upon to take action to protect the victims of these financial crimes and to protect people's faith in the integrity of the financial system. We all saw the damage that a pyramid scheme or Ponzi scheme can cause to the victims and to a country's reputation when Bernard Madoff was caught in the United States. We cannot allow such a thing to happen again.

[*English*]

We cannot stand by idly. The bill simply does not follow up on its promise to protect victims of white collar crime entirely. What does a mandatory minimum sentence of two years do for the victims of Earl Jones when he is already in jail under sentence for 11 years?

*Government Orders*

The lessons of the Madoff affair in the United States tell us that the damage to the victims would have been far less if the financial authorities had been better empowered by regulation and better equipped in resources and staff to apprehend and stop the carnage.

Why is the government peddling its minimum sentences into this area? Is this comforting to the victims of Earl Jones? He is in jail for 11 years. There may be a requirement to reconsider a restitution order, but the money is usually gone. The money is gone and the person is usually locked away for more time than the mandatory minimum set out in the bill.

I really think the government should take the next step outside of an amendment to the Criminal Code and review the financial regulatory system and the funding of our financial regulation enforcement, because it is what Canadians need to protect their investments.

The response from the finance minister might be that the Conservatives have a financial regulation overhaul, review and reform under way, that they are proposing a single regulatory agency, which will be voluntary, and will be located in Toronto. I assume that is the plan; it is where the finance minister is from. I have not heard a lot of people against that in the government, but if it was suggested it be moved to Moncton, they might have a different song to sing. I have nothing against Toronto. There is no question that the TSX is the largest index in the country.

It is an issue of provincial regulation. We have seen the government step into areas of provincial domain on many occasions before. Occasionally it takes a first ministers conference on these issues to decide what are the real ills in society with respect to white collar crime and what are the tools best suited to combat them.

People whose life savings have been taken away by a scheme will not be comforted by a Criminal Code amendment. They might be comforted by a federal-provincial announcement that a joint task force, which applies throughout the country, will concentrate on cracking down on Ponzi schemes and fraud in the general sense. They might, at that press conference, say that they are quite comfortable with the Criminal Code and with what has existed before.

If the justice minister had a TV show, it might be called "PJ", pure justice. The Conservatives march in here before the evening news with a bill to protect Canadians from white collar crime, and the government indicates that is the cure. What Canadians will not know, and maybe it is our job to let them know, is that part X of the Criminal Code between sections 380 and 432, and on pages 280 to 304 of the short version of the code, those 25 pages in the compact pocket Criminal Code cover fraud.

So on the idea that someone looking at a newscast would think the government is enacting new legislation, legislation that did not exist before, that is just misleading.

We ought to say, yes, there are some amendments here that we can certainly stand behind, no question. But our response is three-fold.

First, these are minor amendments to the Criminal Code. The Criminal Code already has provisions in place to combat fraud.

Secondly, there is so much more that the government could have done in five years in office, working with the provinces to surgically crack down on the sources of fraud through the regulatory reforms that might be proposed.

Finally, if the government really cared about moving legislation along, especially legislation such as this that is not going to be opposed, why did it prorogue? Why did the government limit debate? Why did it shut down Parliament if it really wanted bills passed?

It is a good question, but we have never heard a real good answer. We did hear the word "recalibration". Tell that to the victims of white collar crime. We could tell them that we are waiting to crack down on white collar crime, so could they recalibrate their losses? That one would not really fly.

There were fake fears about the governance of the country. People who have lost their savings want a government that will respond.

They might be shocked to know that, five years after the government took power, there was a bill that moved the yardsticks a little bit, a bill that no one would really object to, that could have been passed a long time ago, but the Prime Minister and his gang decided to pull the plug on Parliament, so it could not be passed. People should know that every time the plug is pulled on Parliament by prorogation, bills that are on the order paper, bills such as this, are killed. Prorogation stops everything.

This bill had a previous incarnation, called Bill C-52. It never became law because it was stopped in its tracks, and here we are, debating Bill C-21.

Ironically, sometimes the new incarnation is better. Because they have let it go so long, there are changes in the communities and in law enforcement techniques that have been incorporated into the new bills. So the argument that it is exactly the same bill and we are just bringing it back in every case does not fly. We want to hear the evidence to date about what is going on, in order to get the best bill on the books to combat white collar crime.

What was the reason for prorogation? Did the government think opposition parties were for white collar crime? Has anyone ever seen in a pamphlet, on the news, on the airwaves, in the blogosphere, in Twitter, Facebook or otherwise, that any Liberal, NDP or Bloc member is for white collar crime? Has anybody ever stood up and said that? I do not think so. It is preposterous. So why did the government not come forward earlier with this legislation?

The chairman of the justice committee asks, why do we not fast-track the 80 bills, or whatever number there are now? Why can we not get the job done? Why do we not stand up for Canada? It is a tired speech. The Conservatives are the ones who pulled the plug on their own bills, cutting off their nose to spite their face, and when they do come forward with legislation, it only effects change in the most minor of ways.

*Government Orders*

Carole Morinville is the case that I mentioned a minute ago. She was an unlicensed security adviser who was arrested for what financial authorities believed to be another Ponzi scheme. That case might have been better dealt with by a task force, by people knowledgeable in the financial regulation industry. It might have been something that the government would oversee and help with, rather than saying that opposition parties are against bills with Criminal Code amendments that really do not affect what is going on out there.

I have gone on at some length about the government attitude of not really helping victims. The provinces have really leap-frogged the federal government. We have seen it with respect to auto theft and many other areas, such as white collar crime.

Since the government came to office, a number of provinces have ratcheted up the provisions they have under the property and civil rights sections of the Constitution to enhance their powers of seizure and forfeiture for crimes committed, and not just in the white collar crime area. The provinces did that pretty much on their own, because they were not getting a lot of legislative resources through funding of policing or joint task force help from the federal government.

• (1230)

Then the other end of it is, what could the government have done with respect to the proceeds of white collar crime? It does not all just disappear into ether; it does not just disappear into thin air.

There is no way Bernie Madoff could have spent all the money he took, nor Earl Jones, so it went somewhere. The usual suspects are the international banking community. What has the government done with respect to international banking reform?

When we bring up the government and the international stage, we could be here for days talking about how it has embarrassed Canada, whether it is a seat on the United Nations, whether it is Copenhagen, whether it is the environment, and so on. But what has it done with respect to reforming the international banking system? What pronouncement has come forward from the Minister of Finance, the Minister of Justice, the Minister of Foreign Affairs and others with respect to saying, "We want to crack down on white collar crime because we know where some of this money may be going; we have looked into it; we are doing our job; we are getting the job done"? They are not getting the job done. We have heard of no serious reforms in this regard.

What Canada needs, much as every other country, is an overarching national scheme of financial regulation with international components. We cannot wait for these crimes to happen and then say that we will be tough on crime with mandatory minimums. This approach is proven not to work. It will not keep Ponzi schemes from happening and it will not bring the money back to our church programs, our school programs, the family nest eggs and investment funds and community funds in general that have disappeared. We need to stop these funds from being defrauded in the first place, before it is too late.

The case I come back to in conclusion is that of Carole Morinville, who was not even an accredited investor. She should never have got her hands on the honest citizens' investments. At the very least there

should have been officials with some authority tracking her activity to stop her before it was too late.

What it comes down to is resources and support beyond tinkering with the Criminal Code. The government has not shown its trust in police officials by funding them adequately. It has not shown its co-operation with provincial and territorial partners by having adequate and frequent meetings on this topic. It has not stuck its head out of the foxhole of its own parochialism on the international stage to be even a follower, let alone a leader, on reforming the international banking system to find the money that has left so many Canadians destitute and without hope.

As parliamentarians, we must restore hope in the system. I hope the government will get to work on these needed reforms.

• (1235)

**Mr. Ed Fast (Abbotsford, CPC):** Mr. Speaker, the member does good work on the justice committee and I have appreciated his thoughtful approach to these issues. Of course, I profoundly disagree with him and certainly disagree with his characterization of the bill.

He has suggested that the bill essentially does not make Canadians safe at all. He refers to us peddling in mandatory minimum sentences and talks about tinkering with the Criminal Code.

If the bill is so bad, I disagree with him on that but he said nothing positive about the bill, why is he supporting it? Why would he stand up in his place, here in the House of Commons, as a Liberal and mislead Canadians into thinking that he supports our criminal justice initiatives when in fact he himself has admitted that he believes this legislation would do nothing to protect the safety of Canadians? I find that to be quite disingenuous.

On our side of the House, we as the Conservative government believe this is a very significant step in the right direction in protecting Canadians against fraud, especially in protecting vulnerable Canadians such as seniors against fraud.

I ask the member, why would he suggest that the bill does nothing to protect the safety of Canadians and then suggest that he will still get up and vote in favour of this legislation?

**Mr. Brian Murphy:** Mr. Speaker, I think my friend, as the neutral arbiter as chair of the committee, does not get enough occasions to be raucous as he just was and I will let it slip like water off my back the fact that I was disingenuous or that I am misleading Canadians.

We support the bill. I said that at the beginning. It is too little and too late. Sorry for the criticism, but the member should get used to it.

His community of Abbotsford has not been at the bottom of crime statistics in Canada. Whether it was auto theft or murder, it has been at the top. So I would think he has a very deep interest in doing something more quickly than five years to get to a white collar crime bill that does very little.

*Government Orders*

I said that very clearly. It does very little about getting money back to victims of white collar crime, about resourcing police officials to detect white collar crime; and how about dealing with federal prosecutors who are under contract and cannot get enough money to staff the courts? How about that to fight white collar crime?

The parts that are good in the bill talk about section 380.1, which allow more sentencing principles that already exist but give a very clear direction to the judges that they should take into account the amount and degree of trust, fiduciary-wise, that an investor, or an embezzler or a fraudster has, when sentencing

As I said, it is mild and it is good, and we can support it. We are voting for it wholeheartedly. We would have voted for Bill C-52 had the government not prorogued. I just wish the member would not say that I was disingenuous. I have always been too blunt for my own good.

**Hon. Shawn Murphy (Charlottetown, Lib.):** Mr. Speaker, talking about the victims of white collar crime, I submit that the biggest victim of white collar crime is me, it is you, and it is every other Canadian taxpayer.

We have a situation in Canada now where there are thousands upon thousands of rich Canadians who are taking their money offshore for the sole purpose of not paying Canadian income tax and there is absolutely no mechanism to go after these rich individuals. In fact, if or when they are caught, there is total immunity granted to them. All they have to do is walk into the nearest CRA office, their income for the last three years is assessed, there are a few penalties, a bit of interest, and they go to their next cocktail party. There is total immunity, and as a result, you and I and every other Canadian taxpayer pay more taxes.

Therefore, my question for my friend whether he is as disturbed about this issue as I am.

**Mr. Brian Murphy:** Mr. Speaker, I am disturbed by the issue. I am disturbed more by the inaction of the government, as I said in my speech, towards the culprits and the whereabouts of the money.

This is a very interesting justice debate because there is an ability to offer restitution, to restore a person almost in the civil litigation sense or the civil sense to where he or she was before. With so many other crimes, that is impossible.

Why is the government not cracking down, with the provinces, because there is a division of powers in the Constitution, to do something provincially, territorially, nationally, and as my friend said, internationally with respect to getting the money back to the people from whom it has been taken?

That is the objective here. We would all agree with that. Can the government come up with better measures to do so? We hope so.

Mr. Speaker, 2011 is a whole new year. Many people are asking for various things under the Christmas tree this year. I am hoping that the government comes up with effective legislation in the new year.

• (1240)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the speeches today have dwelt on what this bill does not do. It is pretty clear from the objective input that members have had that this is a

sentencing bill that is going to deal with fraud cases of over \$1 million, but it is a mandatory minimum sentence. In fact, the name of the bill says that it is “An Act to amend the Criminal Code (sentencing for fraud)”.

The real fraud in the bill is the short title, which says this is “Standing up for Victims of White Collar Crime”, but the evidence is that it deals with only a small portion of white collar crime. The bill does not deal with fraud of \$900,000. It does not deal with fraud under \$1 million. That is already in the legislation. This is a bill about sentencing.

So I am asking the hon. member, why is it that the short title does not reflect what the legislation in fact does?

**Mr. Brian Murphy:** Mr. Speaker, the short title of the bill is the “Standing up for Victims of White Collar Crime Act”. I suppose it more accurately should be “Standing up for Some Victims in Some Cases of White Collar Crime”.

I think we should pick the right battle to confront the Conservatives with respect to how they are short-titling everything. It is clear that they are very short on substance, and they are confusing the public, because in this case, the long title of the bill is accurate. It says, “An Act to amend the Criminal Code (sentencing for fraud)”. It alludes to the fact that there are other sections in the code that deal with fraud, and we are amending it. We are going to vote for it, so we are amending it to buttress that.

That should be enough for us. Justice issues should not be showboat items for the six o'clock news. We should be quietly and efficiently doing our work at justice committees and in this House to modernize the Criminal Code, to make the laws more effective.

What it really comes down to is that the Conservatives would stand up for victims of white collar crime a whole lot more outside the short or long title of this act if they resourced police officers, if they co-operated with their provincial and territorial partners and if they got out on the international scene, and in an effective way, instead of embarrassing Canada as they have on other fronts, this is a chance for them to be real leaders with respect to money laundering, the opening of bank accounts at offshore sites, and doing what is best in terms of restitution for the victims of white collar crime who are without their savings this Christmas.

For example, there are the people who have been the victims of Earl Jones. I have read many stories about how they have moved from large houses to little apartments. They probably do not have anything but a lump of coal to put under their Christmas tree. How would you feel, Mr. Speaker, if it were you who was denuded of your savings and I told you we were making four or five amendments after five years to the Criminal Code that really will not affect that? I do not think you would feel very good.

*Government Orders*

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, does my hon. friend agree with the member from Mississauga South that the real fraud in this act is the title? Why does he not agree that Canadians want this legislation passed and are tired of quibbling over semantics and the titles of these bills?

**Mr. Brian Murphy:** Mr. Speaker, semantics, that is rich coming from the Conservatives. A lot of them do not know what the word means, but my friend over there does. I am a little shocked that he would say that we are all about battling semantics over here. The Conservatives are the ones who bring semantics up by using silly titles for bills.

I do not have a huge objection to titling a bill so Canadians can understand it. However, I think the member insults Canadians by suggesting that they would not understand a bill that says, “an act to amend the Criminal Code, sentencing for fraud”. I think they would get the idea.

As I said earlier, we can fool some of the people some of the time, but not all of the people all of the time. The people on the other side think they can fool all the people all of the time. They think that if they get on the six o'clock news and say, “standing up for victims of white collar crime”, that people in Canada think, eureka, it is done.

The people of Canada are smart enough to know that they have been denuded of their savings and that this bill to amend the Criminal Code, the proper title, “sentencing for fraud”, is a step along the way, but it is not the cure.

• (1245)

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Mr. Speaker, I am pleased to speak to Bill C-21. I believe I was fortunate enough to speak to it earlier and I do not think I had enough time.

I want to point out for my friends across the way that this is our job. We are not trying to hijack the process. We are doing our job in opposition. A lot of the time we will suggest the glass is half empty and the government members will suggest it is completely full, but that is okay. We still have a job to do and we want the record to show our concerns and misgivings. No bill is perfect. Every bill will get criticized usually in some way. That is my job and that is what I will do today.

Reflecting on some of the earlier comments, there is an air of pretense surrounding the bill. There is a sense that the bill will do a whole lot more than it really does. One of my colleagues said that this was just a sentencing bill, that it did nothing to stop crime. The sentencing occurs after a conviction. The conviction occurs after the criminal act. It has done nothing to deter or prevent that particular criminal act. By pretending a bill that has a whole lot to do with sentencing will have a whole lot to do with crime prevention is pretentious and we in the opposition have spotted that pretense. Whether or not the pretense is on the six o'clock news, as my colleague from Moncton just suggested, or whether it is in the short title of the bill, it is our job to identify it as pretense, which allows me to speak about the short title of the bill.

For the last couple of years, the government has consistently hijacked the short title of these bills. Not everyone knows the short title is section 1 of the bill, which tries to describe what the bill is

about, but the government has hijacked that for a commercial. Conservatives want to spin what is in the bill. In fact, some of the time, as has been pointed out, they are spinning something that is not even in the bill. Therefore, members of the House have taken objection to some of the bills that go to committee.

The member opposite asked why were we concerned about semantics. It is not about just semantics; it is about hijacking the bill for a political purpose. We did not fire the first shot on this. It was whatever clever bird in the backroom that helped to prepare the bill decided to hijack the title and put something really different and sexy in the short title of the bill. It will get attention and every time people refer to the bill they will repeat this politically torqued short description. Most of my colleagues in the House, not on the government side, are saying no, that we will not do that. If the government wants to have a short title, put it in. Let it describe what is in the bill and do not torque the thing for the six o'clock news.

Also, by dealing with sentencing, I really do not think it will provide a lot of deterrence for future crime: denunciation, yes. However, by standing in this place and talking about the badness associated with any number of criminal acts, by telling the courts that when they process these crimes, when they attempt to address the needs of victims, it will be done in a certain way, shows a very reasonable level of societal denunciation with respect to the crime. I cannot imagine anyone would not be in favour of that. Putting a crime on the front page of the newspaper pretty much does the same thing. Denunciation is there, but deterrence is not.

• (1250)

My experience in this field over the last 20 years, not as a criminal but as a member of the justice committee, has always led me to believe that criminals who commit this type of offence and many other types of offences are not deterred by what is in the Criminal Code. It does not matter what the sentence is, they do not think they will be caught.

Torquing the sentencing in some of these areas, yes, because it reflects increased denunciation. It is like saying that we are really mad at people who commit criminal acts. That is okay, but it will not deter the person because that person does not think he or she will be caught.

In relation to white collar crime, at which this bill is said to be targeted, a lot of those perpetrators really do not think they will be caught. They think they have a really neat scam. Usually these things start small in the beginning and then they become bigger and a lot of people are hurt.



*Government Orders*

The objective, from a public policy point of view, really ought to be to get out in front with some kind of crime prevention, some early warning system that can intervene and protect the people who are about to be hurt. In almost all of these scams, once the money is in, it is gone. It is down the road somewhere. It is in lifestyle, gambling, whatever.

In some cases, these white collar crimes started off all right. There was an investment in real estate. Maybe the real estate investment was a little wonky, but it was still an investment in real estate. It could be swamp land, but it starts off with something tangible. Then things go sideways. The money gets diverted. The fraud and deceit begin. People are lied to. After a year or two or three, whether it is a Ponzi scheme or something else, the people are hurt, the investment is seen to be bad and lost.

This bill is almost like a fairy tale. It suggests that we will deal with the loss of the money. We will step in and make the court deal with restitution. That sounds great, but so do fairy tales. If restitution had been possible, the bozo who began the scam would have been able to pay back all or most of the money in the first place.

It is because the money is gone. I suppose there might be one case in hundred where the person who is convicted has a restitution order made against him or her may go back to work, or may go back into business, if the individual gets out of jail, and start to work to pay some of those restitution orders.

I wanted to reflect on the pretense, the fairy tale involved in this type of legislation. I do not, for a moment, want to suggest that I am not favour of victims getting restitution. That is the concept, that is the fairy tale and that is the hope.

I suppose we could say that if in one case out of hundred victims received restitution, it was worth it. I would have to agree with that. I just do not want the record to accept the pretense that this legislative solution will solve all of the problems, and there are a lot. Fraud is a very old section of the Criminal Code. It is based on the common law tort of deceit, and it is a criminal offence. It always has been.

•(1255)

However, since the Second World War there has been a huge increase in community interconnectivity in terms of money. We are not just moving dollar bills around. We have credit cards, cheques, money orders, debit cards, ABM cards and cash cards. There is no end to the money or money's worth in all the vehicles we have for spreading it around. We have chequing accounts, savings accounts, RRSPs, home ownership savings plans, RESPs, RIFFs, stocks and bonds, treasury bills, GICs, life insurance and pension plans, some of which are self-administered. However, with all of that financial interconnectivity, there is huge potential for money going sideways or being stolen.

I often think about how lucky we are that with all the billions and trillions of dollars moving around there is not more of it that goes sideways. It is probably because we in Canada and a lot of the rest of the world have at least some financial infrastructure that works. I am reasonably assured that the money I put into my bank I will be able to get back and I can transfer money safely.

There is certainly a whole lot more potential for fraud. Individuals who make one mistake in the beginning when handling people's

money, which then leads to a second mistake, and then it escalates. All of this multiplies 1,000-fold when we put it all on the Internet. It can happen with collective amounts. I have to accept that there is a need to update our law on fraud in the Criminal Code provisions.

I want to look at the process in this bill that governs restitution. I had a question that was never answered throughout the process. I wanted to know what would happen if there were a conviction. The court must ask, under the provision, whether victims have had an opportunity to indicate if they would like a restitution order. It does not mean they get one, but the judge must ask if they have had that opportunity. The prosecutor will then respond yes, no or maybe and there is a form that victims can use. That is a step up. It is more like something in a small claims court but there is a form victims can fill out to describe their losses. That is not a bad thing.

The part that caused me to raise the question is in subclause 380.3 (5). This is after there has been a request by a prosecutor or victim for a restitution order. It states:

If...the court decides not to make a restitution order, it shall give reasons for its decision and shall cause those reasons to be stated in the record.

That is in a case where the judge says that for particular reasons, he or she will not give a restitution order because it would be useless. I cannot imagine all of the circumstances that could be involved but the judge has that capacity to make a decision. What I am curious about is what happens if the court does not make a decision. It does not really say that the court has to make a decision. There could be a scenario where the court does not decide yes or no and no reasons are given.

•(1300)

After reading through the section, I got the impression that there was a gap. We have the situation where a judge decides to make a restitution order and the situation where the judge decides not to make a restitution order and those two situations are covered off in the bill. However, there is a third scenario where a decision is not made. The process that is outlined in the bill leaves it rather unclear and that usually causes problems down the road for judges, lawyers, victims or those who are accused.

Quite naturally, the government wants to pretend that this is a great bill but there is no place in this bill to discuss what happens with such things as the impact of a bankruptcy. As well, there may be some who will resist the obvious policy position of the government that, where there has been a theft or a fraud, a criminal court would be turned into a small claims court. I do not think the two fit. The work of a criminal court has a lot of bad stuff reflected in it. It is not the kind of environment where one would think there would be much positive coming out of small claims court atmosphere, which is being imposed in part by this bill.

However, we will see how it works out. If some victims, even a few, are happier to have had the chance to put their loss on the record and a chance, however small it might be, of some restitution, then I am happy about that and I do not want to carp about it. This could be a good change.

*Government Orders*

I suppose we could look at this from a public policy point of view. For example, let us say that we did have a criminal conviction but that there was no restitution order made for the victim. Let us say that the amount involved was manageable, not one of these \$20 million scams, but about \$10,000 or \$20,000. If there was no restitution order and the person convicted serves a one or two year sentence, whatever it is, the victim in that case would probably need to go to civil court to recover those moneys. This provision would pre-empt that and put them together. The citizen who had been defrauded would not need to go to the civil courts. He or she has the court order and it is good for the sheriff. It is good to go if there are assets that can be seized to pay the debt.

I want to draw attention to another area. Franchise sales are accepted to be a provincial jurisdiction. It is a commercial transaction but it involves someone who has a business concept and he, she or it, as a corporation, will then sell a franchise right to a purchaser. This is a common happening. Many of the large franchise grantors are known and it is a very successful commercial vehicle for a small or medium-sized investor. However, over the last few years I have been made aware of problems in the franchising industry. I represent a riding in Toronto, Ontario and the provincial legislation just was not up to snuff. However, if one can get evidence of fraud, it looks like this legislation would cover it.

We may be solving more problems here than the government has actually advertised. It may be possible to rectify what has been a sad situation involving the sale of weak, non-existent or fake franchises to people who put up the first deposit, and the second deposit might be up to \$100,000 or more, just to find out that there is nothing there. The guy who sold it to them could be living in Halifax, Calgary, Moose Jaw or Toronto.

• (1305)

**Mr. Ed Fast (Abbotsford, CPC):** Mr. Speaker, I thank the member for his good work on the justice committee and for his intervention on the bill. He referred to the bill as being a fairy tale bill but then he went on to talk about some of the good aspects of the bill. I hope his support of the bill is because of its substance. I would hope that the Liberal Party would not be on record as voting in favour of fairy tale bills.

However, to get to the substance of the member's comments, he referred to the issues of denunciation and deterrence, which are some of the principles of sentencing that our courts apply. He attacked the bill because of its mandatory minimum sentence of two years and said that it would do nothing to deter crime.

The one principle of sentencing that he did not refer to, hopefully not deliberately, was the whole issue of incapacitation, in other words, the prophylactic effect of mandatory minimum sentences on criminals. In other words, taking serious criminals out of society for longer periods of time so that during their period of incarceration they do not continue to commit those crimes and hopefully get some help.

I would invite the member's comments on the whole issue of incapacitation and the impact that mandatory minimum sentences have on ensuring that serious criminals are taken out of society in order to protect society against their ongoing crimes.

**Mr. Derek Lee:** Mr. Speaker, the member has quite properly raised a whole lot of issues and has managed to cover them fairly quickly. I am not so sure I can do it so quickly.

The bill would create what the member calls a prophylactic effect, but the bill has a procedure where if someone were convicted, he or she would be prohibited from doing certain things and maybe a lot of things in the commercial environment. Those prohibition orders can go a long way to keeping someone who has been convicted from engaging in that type of fraudulent activity. Therefore, there would be fewer victims. It is true that bill would do that. I am not saying that the bill does nothing. I am saying that the bill does a whole lot less than it is being held out as doing.

The deterrence does not do anything as far as I can see. The denunciation has some value. The prevention of people from continuing to engage in crime is real, but before that even happens the guys must get caught. There needs to be a criminal act and then an investigation, which is very expensive stuff, and then the conviction and the sentencing. I think we get way more bang for our buck public policy-wise if we were to look for ways to get out in front of some of this stuff.

I will accept the member's comment as a good one. The bill, while not as much as it is held out to be, does have some positive contributions.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, I am pleased to hear the member talk about the whole area of franchises. I did some work on this about 20 years ago and I found that conservative Alberta was the only province in the country to have actual franchise legislation. It was excellent legislation. I believe it was brought in during Peter Lougheed's time but, unfortunately, it was removed under Ralph Klein. I believe there is still no franchise legislation in any provinces other than what we saw in Alberta at the time.

The beauty of that legislation was that it required, among other things, that all deposits had to be in trust until promises were kept by the franchisors. Let us say that the franchisors promised advertising. An Ontario company would promise advertising in Saskatchewan if people signed up. However, when people signed up, the franchisors would not provide the advertising. The rule in Alberta was that if franchisors promised something like advertising, that unless and until they delivered, they were not to transfer those fees. I think that is a burgeoning area of interest right now.

Does the member think this bill might impact that franchise area? Does he not think there is room in the federal government for franchise legislation, at least with regard to federally registered companies? I know the provinces hold jurisdiction over provincial franchises, provincially regulated companies, but there are many federally regulated franchisors out there and I wonder whether they could be picked up by federal franchise legislation. In addition, I would like the member to expand on how he sees this bill being applicable to franchises.

• (1310)

**Mr. Derek Lee:** Mr. Speaker, the answer to the last question is that this bill is related to franchises. A fraud is a fraud is a fraud. The problem is getting in on a franchise scenario after the thing goes bad, getting the evidence of the deceit, of the fraud.

*Government Orders*

The biggest reason why I think we do not have provincial legislation governing franchises is the big boys. We all know who the big boys are: huge multi-billion dollar enterprises that properly use franchises in food service, restaurants, retailing, doughnuts. I will not mention any names. The big boys say please do not over-regulate this business area, because it would clog the thing and give rise to all kinds of problems and it would be worse off after the governments legislate. The provinces have said that they would leave it there. The problem is that the little guy is getting hurt and defrauded from time to time.

The federal government would have difficulty legislating in relation to franchises, because I think it is pretty much accepted to be a provincial jurisdiction, but in the meantime, there are smaller investors who are getting hurt. It is really sad when we see it. Then we look back with 20:20 hindsight and ask how they could be so dumb to leave \$100,000 with this guy when they never got to see what their real estate location looked like. They might say that it was their brother-in-law or somebody who knew somebody else and they came from their home town. It is really sad, and there is an incapacity of government on a public policy basis to provide solutions to that. It is an unresolved issue, as my friend points out.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I would like to ask my hon. colleague two questions. One is about restitution and the other is about tax issues facing victims of financial fraud.

On restitution, is there a way that the bill could be made stronger, such that restitution would be mandatory?

Second, does the bill make it easier in some way, perhaps through a reverse onus, for the government to garnish the assets of the white collar criminal. In other words, does the bill say that the criminal has to prove that his or her assets were not proceeds of crime?

On the tax issue, I have many victims of Earl Jones in my riding. One of the most crushing issues facing them is that they have to repay taxes that they have paid on income that was not really income, but their capital that had been recycled as interest or dividends.

I am just wondering, given that he is an experienced tax lawyer, if the member could give us some insight on how these victims could recuperate the taxes they paid or at the very least, not have to pay more taxes.

**Mr. Derek Lee:** Mr. Speaker, that is a very legitimate question. Certainly the Canada Revenue Agency can go back a few years, but some of these frauds take place over five and ten years and individuals will have paid tax on income from investments that, in some way, were fake. In other words, the income they were told they had never came.

However, being told they did have income, they were good people and they paid income tax on it. Certainly limited adjustment of tax paid going back some years is possible, but individuals have to be able to convince the CRA that the income they thought they had was fake.

These people are unfortunate. In the case referred to by my friend, there actually was an ongoing enterprise. There actually was money moving around, and therefore it is very difficult to dissociate the

income that they were advised of from the enterprise that produced the income. A proportion of the income they were told they had was fake, maybe all of it, but because they cannot get at the records, it is very difficult.

My friend also asked about mandatory restitution. I do not believe that helps at all. If there are viable assets or the hope of assets, then a restitution order is an appropriate public policy disposition.

● (1315)

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, I am very pleased to rise today to speak to this bill. Once again at the outset I have to say that we support the bill, as do all of the parties in the House, I believe. I think the bill will eventually achieve success.

To deal with some of the issues as to what the bill actually does and, further than that, what the bill should actually do and what the government should be doing to help with the problem gets the debate expanded a little bit.

The intent of the bill is to 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 at 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 at sentencing.

Those are the nuts and bolts of what this bill does. On that basis, for that purpose, we all support this bill. It has gone through committee at this point.

The problem is that the bill does not do some of the things we would like it to do, and will not put as big a dent in the area of fraud as the government pretends it will. It is really not going to solve a huge part of the problem.

For example, the fraud provisions of the Criminal Code were most recently amended in 2004 in response to the global impact of corporate scandals associated with such companies 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, which were the IMET teams, composed of Royal Canadian Mounted Police officers, federal lawyers and other investigators such as forensic accountants to deal with capital market fraud cases.

Now, that initiative was a positive initiative. That is sort of part of what best practices, as least best practices of the United States, would indicate that we should be doing. Those cases that I referred to, Enron, Tyco and WorldCom, were all American cases. We know that the Americans successfully charged, convicted and put in jail, I believe it was, 1,200 white collar fraudsters, including the executives of these three companies.

*Government Orders*

We were attempting in 2003, under the previous government, I gather, to come to grips with what would happen if such an experience as Tyco or Enron were to happen here. We had similar cases in Canada, such as Bre-X. I think members are familiar with the Bre-X situation. We adopted what I would think would be a positive initiative in that year, 2003.

The Government of Canada created the IMET program and funded it through the RCMP. Ten IMET operations were set up in four of Canada's major financial centres, and the mandate was to investigate and lay charges for serious criminal activity involving capital markets.

According to the 2007-08 IMET annual report, the program's total budget increased from \$13.2 million in 2005 to \$18.9 million in 2008, and then the budget decreased to \$16.1 million in 2008-09. From December 2003, when the program began, until March 2008, 5 investigations led to 9 individuals being charged with a total of 29 Criminal Code offences.

● (1320)

In fiscal year 2008-09, however, 17 individuals were charged with 979 counts. A total of 5 individuals have been convicted since the IMET program was established, with sentences ranging from 39 months to 13 years.

The issue really becomes why and how the Americans can put away 1,200 white collar criminals in the last 5 years and Canada manages to convict only 5. Clearly it is an issue of resources, an issue of commitment on the part of the government to pursue these sorts of activities in this country.

The fact of the matter is that Conrad Black, while he committed his crimes right here in Canada, which involved the non-competition fees when he sold his newspapers to Izzy Asper and the Canwest organization, was able to pocket \$20 million or \$40 million in non-competition fees. While common in business, those fees were supposed to go to Hollinger, his company. When the Hollinger shareholders discovered that those fees had been diverted and that Conrad Black and his cohorts had pocketed the fees and made off, they of course went to the authorities to try to get restitution. It was the American system, as imperfect as it is, that actually got results and Conrad Black did get put in jail. I think he is out now, a bit too early, but at least he got put in there.

That to me is the difference between the American system and the Canadian system, in that it actually can show some results against white collar crime, whereas in Canada we have almost no good news on that front.

I gave the most recent IMET results, but I have a quote here from Canadian Business Online, from September 24, 2007. The headline was "Canada's losing war against white-collar crime". The author was talking about the RCMP's launch of the IMET, the integrated market enforcement team that I spoke about, an elite squad of investigators who are supposed to work together to crack down on white collar crime, but the results are very disappointing. The United States justice department racked up 1,200 convictions against high-level executives, from Enron and other companies in the last 5 years, and at that time, in 2007, the IMET had only managed to get 2 charges and both of those charges were against the same person.

However what is interesting is that the author of the article went on to say:

Just ask people on Bay Street who they are afraid of. It's not the cops, it's not the...[Ontario Securities Commission].

That is what they should be afraid of or concerned about.

It's the U.S. Securities and Exchange Commission because they have real teeth.

Is that not an irony, that on Bay Street, Toronto, the financial hub of Canada, the players are not the least bit worried about Canadian police? They are not worried about the Ontario Securities Commission. It is a regulator. They are not concerned about that regulator, but it is the U.S. Securities and Exchange Commission that has some real teeth and they are concerned about it.

Clearly we have to upgrade our system to be on par with the American system, and we all know that the Americans are not exactly happy with their system. They are making some changes to their system as well, because there was a lot of abuse during the last five years in the United States. It is just that they seem to be able to catch a lot more of it and they have managed to get results when they take action, as opposed to us.

● (1325)

I feel that part of the problem here, and it is also a problem in the United States, is that there is too cozy a relationship between the regulatory authorities and the people they are regulating. Rather than hire police-oriented people and enforcement-oriented people into these regulatory bodies, what they tend to be is a retirement ground for people from the industry. So if someone works in the insurance business or investment business for a number of years and then a job opening comes up in the Securities and Exchange Commission, they apply, they get the job, and now they are regulating the very company they were just working for the week before.

And so, it presents itself as an extremely cozy relationship when we have the regulators and the regulated companies attending the same Christmas parties, golfing together at golf tournaments, and it is no surprise that when something happens, they do not move quickly enough to deal with the problem.

I want to talk about Harry Markopolos because his is a very interesting case, too, in the United States, because when these schemes, Ponzi schemes and others in the United States, are uncovered, it is often discovered that in fact there is somebody who knew about the scheme, who blew the whistle on the scheme as much as 5 years to 10 years before the scheme actually fell apart.

That was the case with Bernie Madoff's Ponzi scheme. A number of years before, I believe as far back as 10 years before, Harry Markopolos discovered what was going on with Bernie Madoff. He, at the time, was working in the same type of investments that Madoff was. His company, Rampart Investment Management, in Boston, Massachusetts, came to Harry and said, "We have a competitor out there by the name of Madoff", of whom not that many people were aware at the time although he had been around for many years, "and we have trouble understanding how he is managing to get consistent gains on a month-by-month basis".

*Government Orders*

That is one of the red flags for irregularities and Ponzi schemes, when a fund someone has invested in is giving a positive return month after month when any fund manager, no matter how good he or she is, will have some months where they make a decent return because of selling off some of the assets and buying others. They are going to have some months where they make 20% and they will have some months where they may lose 2% or 3%.

However, in this case, Madoff was showing a positive return consistently, month after month, year after year.

Harry's boss asked him to check into this situation to see how Bernie did it, his thought being, "Whatever Bernie is doing, maybe we should be doing the same thing. We have to learn from what he is doing and follow his pattern".

It only took Markopolos a half hour to prove that this strategy was not possible, on behalf of Madoff, and he reported it to the Securities and Exchange Commission on several occasions over a 10-year period. He documented his files and sent them in to the investigators and found that the investigators would say, "This man has been around a long time. Nobody else is complaining. You are the only person finding fault with him. Not only that, but you are a competitor, right? So we should not listen to you because you have an axe to grind. You want to find out what his secrets are so you can simply employ them as well".

The sad part of all of this is that I think perhaps \$65 billion has gone missing because of the Bernie Madoff situation.

• (1330)

Yes, he has been put in prison for 150 years and there is some type of restitution taking place but very little.

The fact of the matter is that these types of schemes are not all big ones like the Bernie Madoff scheme. We have them in Manitoba on a much smaller scale of \$50,000 to \$100,000 being stolen by investment fund people, investors and so on. This is a common problem.

What we will see is during good times these schemes tend to take off, they are very robust and tend to expand during good economic times. It is when the economy turns, whether a sector turns or whether the whole economy turns, flat lines, and drops a bit, particularly in a recession or depression, that these things are exposed

Essentially what happens is a Ponzi scheme is a type of scheme whereby the money that is brought in from the initial investors is paid out to the old investors to keep them in the scheme and no money is actually invested in the market.

There are all sorts of different types of schemes. The Ponzi scheme was developed by Charles Ponzi who has a very storied history in the United States and actually a connection to Montreal. I spoke about that one other time in a previous speech. He had involvement and some training in what later became the Ponzi scheme concept in Canada, in Montreal.

We have other types of frauds that are very common and actually very close to home. We have mortgage frauds. One such mortgage fraud is defrauding essentially the bank. The bank turns the

responsibility over to CMHC, so in fact it becomes a CMHC responsibility for most of this. There is one being uncovered right now in Alberta. As a matter of fact, one of the members of the government has been mentioned as having some connection to it. We are talking about millions of dollars that are being defrauded from the mortgage companies.

We had one in Manitoba in 1995. A gentleman came into my office with a box of files and gave us a lot of information on a scheme involving mortgage fraud. Essentially what it boils down to is an individual buys houses. He uses straw buyers, usually people who are just recently out of prison or first-time buyers who are sort of naive. He gives them a couple of thousand dollars cash and buys them some appliances and has them put the cash in the bank to get a receipt that the money is in the bank. That is in order to obtain a mortgage on a house that he has previously bought and now he is selling to them at a much higher price.

Perhaps he bought the house, in today's numbers, for \$100,000 and practically the same week he turns around and gets the straw buyer to buy that house from him for \$150,000 and he gets an appraiser to give him an appraisal for that amount.

It has to involve a real estate agent, appraisal, a lawyer and so on. In the Winnipeg situation with the RCMP we spent a lot of money uncovering this whole mess. At the end of the day what really happened? The guy that perpetrated the whole thing is still in a business, the window and door business now. I do not know whether anyone was really seriously disciplined, the lawyers, the real estate brokers, the appraisers, and whether anyone lost their jobs. It certainly got a few headlines at the time. However, there are many variations. It is not all just Ponzi schemes.

In the United States, and I know I am running out of time, so I may be able to deal with this issue in questions and comments, but my colleague, the member for Windsor—Tecumseh had some answers to this—

• (1335)

**The Deputy Speaker:** We will move on to questions and comments. The hon. member for Mississauga South.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, this bill covers a fair range of activity covered in the Criminal Code and it may be difficult to see all of the other pieces.

One of the situations that I was a little concerned about was with regard to restitution. Victims have to fill out a form and I am wondering what happens when victims can demonstrate that they have real losses, but they have lost everything and do not have the resources to prepare the restitution statement. I believe it is argued by the Crown, but there are probably some expenses involved. It concerns me that it may be a fruitless exercise if there is no way to access any resources. There is no certitude there.

I would question whether it is necessary for the court in all cases to give reasons for its decision that it would not make a restitution order. That concerns me.

*Government Orders*

The other thing that concerns me is probably the most important aspect. It has become clear from virtually all of the speakers that the absence of resources at the provincial level to enforce the laws means that even very serious Ponzi or pyramid-type schemes will never be dealt with in the courts and people will get away with it simply because a rape case comes before a Ponzi scheme, which is the situation in Ontario. Perhaps the member would like to comment.

**Mr. Jim Maloway:** Mr. Speaker, restitution is a very important part of this bill. Community impact statements are also a very positive part of this bill.

What happened in the Southern Baptist Ponzi scheme and a similar type of scheme in the northern United States is when the house of cards fell down, as my friend, the member for Windsor—Tecumseh points out, is that the early investors got big returns from what they invested and were forced to pay back their gains even though they were innocents in the scheme.

In the Southern Baptist situation, the victims recouped 40% to 50% of what they lost in the scheme only because the authorities were able to go back to all of the participants and demand repayment. People who benefited as part of the scheme were forced to return their ill-gotten gains and they were happy to do it. They distributed the gains among the people who lost money in the end and the victims were reasonably happy. They still lost half of what they put in but at least they got something back. That is why the American system, in one way, is a better system than we have.

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Mr. Speaker, one thing that is very clear from what the hon. member said and what I have heard throughout this morning is that this bill lacks teeth and it lacks teeth in a couple of areas. The first is that it does not include all white collar crimes, which is a failing of this bill. There has been lots of talk about restitution. The second failing in the bill is that the people who commit the crimes are not compelled to pay back victims. I find this difficult to understand, particularly because it is a government bill and the government is always talking about victims and victims' rights. It seems to me that this bill fails in that particular area.

I wonder if the hon. member would like to comment on that.

● (1340)

**Mr. Jim Maloway:** Mr. Speaker, the big exposure here for the government and the country as a whole is the lack of a proper regulatory system with teeth. The government's answer to this problem is to have a national securities regulator, as if that would solve the problem. We need people in the securities commission in Toronto or wherever it is located with an enforcement mentality. We do not want people with a retired investment executive mentality who would approach this as a retirement job, who would attend the same Christmas parties and play golf with the people they are supposed to regulate.

Whether it is the IMET system or any system, we need people who are interested in doing the job. We need people who are interested in investigating, in regulating. We need people who are interested in getting results. We do not want people who are prepared to turn a blind eye and let the system continue on its merry way.

There is really nothing wrong with this legislation. It is good legislation, but it would not stop any Ponzi scheme from occurring.

It would not stop any mortgage fraud scheme from happening. That is the problem. The government needs a more comprehensive approach to white collar crime.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the Conservatives have a dumb down approach to crime. Whatever the crime is, their only solution is a mandatory minimum sentence. I think of the idiocy of suggesting that a mandatory minimum sentence will address Ponzi schemes, massive corporate fraud, the kind of shenanigans that we have seen over the last number of years with international financiers. Those people do not think they are going to get caught. They do not think they will have to do two years.

These international financiers are taking money from investors, ordinary citizens, and moving it offshore. Bernie Madoff stuck around too long. If he had his way, he probably would have headed off to the Cayman Islands. Earl Jones would have been laughing had he gone to the Cayman Islands. The Conservatives will not touch the Cayman Islands or any offshore bank accounts. They could have followed the money through Panama. It is the number one money laundering country in the world, yet the Conservatives are trying to sign a free trade agreement with that country.

Why does the government come up with fairly useless solutions such as mandatory minimum sentences, when they turn a blind eye to the massive corporate crime that is going on in terms of moving money offshore and being unaccountable to Canadians?

**Mr. Jim Maloway:** Mr. Speaker, we just have to think back to February when the Government of France increased taxes on any companies that were doing business in the tax haven of Panama. Guess what happened? Within months, Panama signed a tax treaty with France. If the Government of France can get tough on tax havens like Panama and get tax compliance in a matter of a few months, then why not Canada?

Canada is negotiating a free trade deal with Panama but we are not one of the countries with a tax treaty with Panama. One hand of the government does not know what the other hand is doing.

Why does the government not follow France's example and then see how quickly the Panamanians respond in that situation?

● (1345)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the bill deals with cases of fraud in excess of \$1 million in aggregate. Does the member think that someone who defrauds a group of people for an aggregate of \$900,000 should not be covered by this legislation? Is the \$1 million a true benchmark of what is really a serious financial crime?

*Government Orders*

**Mr. Jim Maloway:** Mr. Speaker, we have had that question before. That is very true. For one person \$50,000 could be his or her life savings, whereas for a billionaire, \$1 million is probably small change. The government has an explanation as to why it chose \$1 million, and the member should know that.

I agree with my colleague that a fraud is a fraud is a fraud. Taking \$50,000 from a senior in my riding if that is all the money he or she has means everything.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Mr. Speaker, over the last three or four years, this has become a large issue. We have seen the reports on all the major television networks in North America. Bernie Madoff in the United States was sentenced to 150 years in prison, which gives us an idea of just how serious this has become. It also shows how one particular judge decided to engage the public to find out where the fever was on this. For the general public it is an incredibly large issue. It is beyond imagination. We do not realize how many people have been victims of this type of fraud and scam that has been perpetrated by people of despicable means and measure.

In this country we had the case of Earl Jones. It was so visceral to watch the coverage on television where as he was leaving the court and approaching his vehicle, he was attacked by the masses. I had never seen that before.

It gives us an idea of the heightened intensity about this issue. There are so many people involved and so many stories to be told that we would be amazed at some of the issues. There are people who come to me from my riding in Newfoundland and Labrador to talk about how destitute they are as victims of fraud. They are embarrassed at having lost their life savings. They do not want to bring up the situation with their children and other people in the community because they do not want to be embarrassed.

There are people out there, culprits who prey upon the weakest and most vulnerable of society. They know where they are and they know how to get them.

Bill C-21 goes a way to catching up with that. Perhaps it needs to go a bit further. The bill has been reported back to the House, and I think we are looking at one amendment.

Nonetheless, we will look at this and move on. This is something that we are going to be talking about again and again as the situation becomes more prevalent. In my own personal situation, people, primarily seniors, come to my office and talk about the sheer embarrassment of it. They tried to invest what little money they have to better themselves, and not so much themselves but their family, children and grandchildren.

It is incumbent upon us to have a serious debate about this. I appreciate everybody who is debating this in this House.

Bill C-21, An Act to amend the Criminal Code (sentencing for fraud), includes a mandatory minimum sentence, which is an expression we have used a lot in this House. It includes imprisonment for two years for fraud valued at more than \$1 million, and provides additional aggravating factors for sentencing, which I will touch on in a few moments.

It requires consideration of restitution for victims, which is a highly contentious issue as we have seen from all the media coverage not just in Canada but also in the United States. In dealing with the seriousness of this issue, my colleague from Lac-Saint-Louis mentioned that it is such a big issue in his riding. He has fought so well for this issue, and I want to thank him personally.

I do want to move on to the situation we find ourselves in right now regarding Bill C-21. For this side of the House, we proposed earlier that the mandatory minimum sentence of two years should apply to practices such as market manipulation of shares and of course the Ponzi schemes.

Conservative, Bloc and NDP members, in my opinion, need to explain why they refuse to stand up for all the victims of white collar crime. There are some discrepancies within this that I would like to see addressed. However, we are moving in the right direction as the House of Commons is addressing the legislation today and will soon pass it.

• (1350)

Principles behind the stricter sentencing rules are very important, but we also know that they are not enough to prevent frauds from happening, which is why we also have to seriously consider working on the public campaign. That is where we are falling down on the job. We need to do more to improve the way we deal with the situation and public learning of this type of fraud.

Certainly when it comes to enforcement and how our law officials enforce this will be a contentious issue as we move forward with this type of legislation. It is one thing to put these sentences into place, but the enforcement is going to be a tricky situation as we have witnessed in the past. We are compelled in the House to call upon the government to provide those extra resources upon which it can exercise the principles of the bill, which are to bring people to account, people who are the lowest form of life, if I can use that term, and I will use it because I think I am very apt in that description.

We should consider this from two perspectives. On one hand, we have to alert the people of what this fraud is and how they can protect themselves from this type of offence. On the other hand, we have to provide the resources as a government to allow the officials to enforce this and make sure people are brought to account. That is what we have been talking about in the bill right from second reading through committee and now at third reading.

We are glad to finally see legislation on the issue. We have called on the government to act on white collar crime for many years now. We have had this discussion for quite some time. This legislation is going forward and it is good that it is. We have seen the anger heighten dramatically because of people like Bernie Madoff, Earl Jones and what we see in the media regarding Ponzi schemes and the originator of them, Mr. Charles Ponzi himself.

I would like to turn to some of the research that has been provided to us as legislators in the legislative summary from the Library of Parliament. I would like to thank Cynthia Kirkby and Dominique Valiquette, both from the Legal and Legislative Affairs Division, Parliamentary Information and Resource Services.

*Statements by Members*

The background on this goes back for quite some time. We have seen prior amendments to the fraud provisions. 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. I certainly think that provides an ample guide for judges to allow a sentencing situation to take place. When it comes to sentencing, the enforcement is one area we may be falling down on.

Let us look at the integrated market enforcement teams. In 2003, the Government of Canada created the IMET program. Its funding is through the RCMP. Ten IMETs are operational in four of Canada's major financial centres. Their mandate is to investigate and lay charges for serious Criminal Code offences involving capital markets. At that point the enforcement was happening. We need to take that one step further. It was a good start with the IMET teams in the financial centres. The IMETs, continue to this day. From December 2003, when the program began, to March 2008, five investigations led to nine individuals being charged with a total of 29 Criminal Code offences. In fiscal year 2008-09, however, 17 individuals were charged with 979 counts.

There in itself we see a perfect illustration of the criminal intent that permeates throughout the system. These people get into the system and it shows how hard it is to bring these people to law and how important enforcement must be in order for these rules and measures to have some effect on all these people.

As I mentioned, 17 individuals were charged with 979 counts. A total of five individuals have been convicted since the IMET program was established and sentences range from 39 months to 13 years.

• (1355)

Going back on the history alone, members will see some of the statistics from C-21. This gives us a good glimpse of the situation. In 2007, 88,286 incidents of fraud took place in our country. About 10,001 cases of people were found guilty in the years 2006-2007. To break down those 10,001 cases, these are the following statistics: prison sentences, 3,580, resulting in 35.8%; conditional sentences being brought down on those people, only 8.7%; probation was the biggest at 60.3%; receiving fines, 12.1%; and restitution at that stage, 18.9%. Other sentences that were handed down included absolute conditional discharge, community service orders and prohibition orders as well.

Returning to the legislation at hand, let us take a look clause 2.1, which is the minimum sentence for fraud. This is the one that is probably getting most of the attention right now. Currently a person convicted of the general offence of fraud is liable under subsection 380(1) of the Criminal Code to a maximum term of imprisonment of 14 years where the value of the subject matter of the offence exceeds \$5,000, or two years where the value of the subject matter of the offence does not exceed \$5,000 and no minimum sentence is specified.

Clause 2 of the bill introduces a minimum sentence of two years imprisonment in case of fraud over \$1 million. My colleague from Ontario brought up a good point earlier. When we try to come up with these numbers, in this case two years imprisonment minimum

on a \$1 million case, what if someone achieved \$900,000? That is a pot of money. I know people who were working on \$100,000 as their nest egg. What if they had been defrauded of \$100,000? How do we address that in the situation where we make the cutoff at \$1 million?

On the other hand, the minimum sentence applies solely to a person convicted of the general offence of fraud, again subsection 380(1) of the code. It does not seem to apply to other related offences, such as fraud affecting the market, fraudulent manipulation of stock markets, insider trading or the publication of a false prospectus. In the latter three cases, however, where the value of the subject matter exceeds \$1 million, this remains merely an aggravating circumstance.

**The Deputy Speaker:** The hon. member will have seven minutes left to conclude his remarks after question period. We will now we move on to statements by members.

The hon. member for Saint John.

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## STATEMENTS BY MEMBERS

[English]

### SAINT JOHN HARBOUR BRIDGE

**Mr. Rodney Weston (Saint John, CPC):** Mr. Speaker, for more than four decades the tolls on the Saint John Harbour Bridge have represented an inequity that has existed for Saint John residents, but everything is about to change. At long last, the Saint John Harbour Bridge will be toll free.

The Prime Minister and Premier Alward recently announced that an agreement had been reached to resolve this issue once and for all. The time has finally come when the people of greater Saint John will be treated in the same manner as the rest of the province.

Our government is cancelling the outstanding debt of \$22.6 million and investing \$17.5 million toward the upgrades that are currently under way. This commitment will result in the tolls being removed from the bridge, which is a key component of the Atlantic gateway, and will become part of our provincial highway system.

The co-operation that has been demonstrated between the federal and provincial governments will remove the only toll remaining on the highway system in the province of New Brunswick and it will result in Saint John being treated fairly.

\* \* \*

• (1400)

### RESTIGOUCHE COUNTY VOLUNTEER ACTION ASSOCIATION

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, on Sunday, December 5, I had the pleasure to attend the 26th annual telethon of the Restigouche County Volunteer Action Association. As described by our local papers, this event is the largest single fundraiser for the largest charitable organization in Restigouche.



*Statements by Members*

[Translation]

Every year, the charity organizes this fundraising event in order to produce around 500 baskets that are distributed to needy families over the holidays.

I would like to thank everyone who took part in the telethon and who gave so generously. Your donations will allow needy families in our region to enjoy the holidays too.

[English]

I wish to thank the organizers of this event. Thanks to them, the RCVAA will be able to give away over 500 baskets again this year.

[Translation]

Once again, congratulations on working so hard to make this event so successful and thank you for supporting people in our community. Your efforts are sincerely appreciated. Thank you.

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### PLAN NAGUA

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, on October 5, Plan Nagua, a company in the riding of Beauport—Limoilou, won the 2010 Desjardins entrepreneur prize in the sustainable development category.

Plan Nagua, which was created by eight students who had been on an internship in the Dominican Republic, has worked in the field of international solidarity for 40 years and is active on four fronts. It supports nearly 10,000 co-operatives in the southern hemisphere, primarily in the area of coffee growing and fair trade. It plays an active role in international co-operation projects in communities in Haiti and the Dominican Republic. It educates Quebecers about north-south dynamics. And it provides opportunities for international internships and equitable tourism.

I am proud to salute Plan Nagua, which has sales of \$2.5 million and spinoffs of close to \$1.5 million in the national capital region. This company has broken new ground in Quebec in sustainable development and fair trade.

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[English]

### HARMONIZED SALES TAX

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, Canadians are getting gouged at the pumps. When the price of a barrel of oil goes up on the market, the price at the pump goes up immediately. When the price of a barrel goes down, the price at the pump still stays high.

Northerners know the Conservatives will always take the side of the big oil companies over the average person who is just trying to fill his or her tank to get to work. What is really galling is the Conservatives seem to think average Canadians are some sort of cash cow because they throw in the HST on top of already high gas prices. The largest single jump in the price of gas in the last two years came from the government's decision to gouge people at the pump with the HST.

The HST is a massive shift in the tax burden away from the big corporations on to average citizens. For example, this year banks will get an \$840 million tax break, while citizens in Ontario will pay an extra \$895 million just on taxes at the pumps. It is a ripoff and it is not fair, but it is so typically Tory.

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### ARTS AND CULTURE

**Mr. Ted Menzies (Macleod, CPC):** Mr. Speaker, millions of Canadians will have the opportunity to view another talented young artist's work, thanks to the annual Canadian Youth Wildlife Habitat Conservation Stamp contest. The 2011 youth wildlife stamp was created in partnership with the Robert Bateman Get to Know contest. It is a contest designed to encourage youth to get to know their wildlife neighbours.

One of my constituents, Ms. Bethany Harris from Millarville, Alberta, won with the selection of her painting "Going Deeper", depicting a moose in its natural habitat. Ms. Harris is an inspiration to all youth passionate about art and Canada's wildlife.

I would like to offer my most heartfelt congratulations on her great accomplishment.

\* \* \*

[Translation]

### PASSPORTS

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** Mr. Speaker, I am very pleased to announce today that Passport Canada and Service Canada have entered into an agreement whereby they will provide passport services on the Montreal south shore. I promised that I would not stop fighting until the people in my riding received these long-awaited services. Finally, beginning on January 31, they will be able to submit a passport application without having to cross one of the bridges.

For over two years, I have been urging the Minister of Foreign Affairs to offer passport services to the people living on the south shore of Montreal. My motion, M-276, was adopted in the House in May 2009. I wrote 19 letters to the minister and sent him hundreds of postcards signed by constituents requesting a passport office.

● (1405)

[English]

As the only Liberal MP in the Montérégie region, I am very proud to have achieved my electoral promise to provide all residents with this valuable federal service that they have been requesting for so long.

The Liberal Party of Canada, through its members of Parliament, ensures citizens are duly represented and works relentlessly and efficiently for them in Ottawa. Even in opposition, I was able to work with the Minister of Foreign Affairs, whom I thank, to make this promise a reality.

*Statements by Members***PEACE RIVER**

**Mr. Chris Warkentin (Peace River, CPC):** Mr. Speaker, as we approach the Christmas season, I am again reminded of the honour that it is to represent the people of the Peace country.

For many families in the Peace region, the past year has been a difficult one. Many local farm families have experienced difficulty in the wake of another year of drought and other families have struggled through the uncertainty of employment and reduced incomes.

In spite of these struggles, I am pleased to see the care and compassion that these same families have demonstrated in supporting other families that are less fortunate. Through charities such as the Salvation Army, the Aboriginal Friendship Centres, the local food banks and the countless local churches, residents are working to ensure that families of all forms share the joy, the peace and the love of the season.

On behalf of myself, my wife, Michelle, and our daughters, Abigail and Cobi, we want to thank everyone who is giving back this season. I also want to take the opportunity to wish each of my constituents a happy new year and a blessed Christmas.

\* \* \*

[Translation]

**GATEWAYS**

**Mr. Luc Malo (Verchères—Les Patriotes, BQ):** Mr. Speaker, in response to a question asked by the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord, the Minister of Transport, Infrastructure and Communities said that to help Quebec, we need to build a bridge in Ontario. That is outrageous. The numbers disclosed by my colleague with regard to the gateways and border crossings fund are clear: out of a \$2.1 billion envelope, only \$10 million has been allocated to Quebec. That does not include the \$1 billion already allocated to the Asia-Pacific gateway. Quebec is getting swindled, and the Conservative ministers from Quebec are complicit.

They should instead be adhering to the principle whereby Quebec's development hinges on structural investments in Quebec. A number of projects, including increasing the number of containers coming through the port of Montreal, depend on the will of the government to grant Quebec its share of the gateway development envelope. It is a matter of fairness and creating wealth for today and tomorrow.

\* \* \*

[English]

**PRODUCT SAFETY**

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Speaker, last night the Senate voted in favour of Bill C-36, the Canadian consumer product safety bill. This important legislation will give us the tools to adequately protect Canadians and their loved ones. It replaces a law that was over 40 years old and now enables us to stand on a level playing field with our trading partners. It will protect us from unsafe products.

Part of the future of our health care system is passing good legislation. Although the bill, as well as its predecessor, passed

through the House with the support of all parties, the Liberal senators consistently voted against it.

As they did last year at this time, all 36 Liberal senators who were present in the chamber for the vote last night stood and voted against it. Unbelievably, they voted against the health and safety of Canadians. Worse yet, they voted against consumer and product safety for our children at Christmas.

\* \* \*

**YORK REGIONAL POLICE**

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, I would like to congratulate retiring York Regional Police Chief Armand La Barge for his extraordinary achievements and service to the citizens of York Region. I also congratulate newly installed Chief Eric Jolliffe.

Under Chief La Barge's watch, York Region enjoyed one of Canada's lowest crime rates. He radically increased the number of visible minority officers at all ranks to much better reflect the face of our community. He also embraced and celebrated York Region's multiculturalism.

Chief La Barge's legacy is reflected in the countless events in recent months to honour his achievements as chief.

I would also like to welcome York Region's new chief of police, Eric Jolliffe. Chief Jolliffe, I know, will continue to build on the great foundation laid by his predecessor and will take York Regional Police to the next level.

On behalf of my constituents, I congratulate them both and look forward to working with the new chief.

\* \* \*

● (1410)

**TAXATION**

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, our Conservative government opposes the coalition's proposed iPod tax. During this fragile economic recovery, our government knows that the last thing Canadian families and consumers need is a massive new tax on iPods and other digital storage devices.

The Liberal-NDP-Bloc Québécois coalition has voted in this House to impose a massive new tax that would cost Canadian families and consumers up to \$75 per iPod. The new tax would also apply to personal computers, BlackBerrys, cellphones and any device that plays music.

Canadian families and consumers pay too much tax already. They do not need a massive new iPod tax.

Our Conservative government will protect families and consumers from higher taxes by fighting the Liberal-led coalition's iPod tax each and every step of the way.

### ABORIGINAL AFFAIRS

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP):** Mr. Speaker, when first nation couples separate, a key issue is a lack of housing on reserves, not necessarily a gap in the legal process to divide property.

In 2006, the 40-member first nations of the Anishinabek Nation undertook extensive work to develop a matrimonial real property law that addresses the needs of their communities. The work is based on the authority of first nations in the area of family law and follows in the spirit of recommendations made by Wendy Grant-John, who was hired as ministerial representative in 2006.

First nations in Ontario are concerned with the lack of consultation for any proposed changes to matrimonial real property. What is more, when they contact the Minister of Indian Affairs and Northern Development to voice their concerns and request meetings to discuss these, they are not even given the courtesy of a response.

Not only is the minister avoiding his responsibility to consult, but he must respond to first nation representatives like the chiefs of Ontario and the united chiefs and councils of Mnídoo Mnísing before any legislative changes are made.

\* \* \*

[Translation]

### JUSTICE

**Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, yesterday, our government urged the Liberal-led coalition to stop blocking a bill to eliminate pardons for serious crimes. In the meantime, criminals who sexually assault children remain eligible for a pardon.

Now the opposition has found a new tactic—not voting for a bill because it apparently does not like the title. Is the title of the bill more important than the victims? We can see where the opposition's priorities really lie.

This week, we will convene a special session of the committee to force a vote. The date will coincide with the bill's anniversary: it is six months to the day since the bill was sent to committee.

The Canadian public can rest assured. Our Conservative government will be doing everything in its power to adopt this bill and make our streets and our communities safer.

\* \* \*

### USE OF WOOD IN FEDERAL BUILDINGS

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, this week, the Conservative government will have another opportunity to support the forestry industry. Bill C-429, which is sponsored by my colleague from Manicouagan and which would increase the use of wood in federal buildings, will soon be voted on at third reading in this House.

Supported by municipalities, the Quebec order of architects, the Coalition BOIS Québec and forestry associations in Quebec and Canada, Bill C-429 sends a strong message to the industry by helping to highlight its transition towards processing and develop new markets.

### Statements by Members

This is also an excellent opportunity for the Conservative government to improve its record in the fight against climate change. For example, France expects to achieve 14% of its greenhouse gas reduction commitments through its wood, construction and environment plan. This government should do something good for the environment by taking the lead in promoting the use of wood.

\* \* \*

[English]

### AGRICULTURE

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I congratulate western farmers for fostering democracy in the Canadian Wheat Board director elections. Results show that four of the five districts elected single desk supporters. Therefore, after two cycles of elections, eight out of ten farmer-elected directors are supportive of the single desk.

Farmers have spoken.

Farmers stood strong, even up against a gag order imposed on the board by the minister and against the Conservative propaganda machine using MPs' offices. Even though the member for Cypress Hills—Grasslands used a YouTube video attacking the board and spreading misinformation, in violation of his oath of office as PS for the CWB, a strong board supporter, Stewart Wells, won that district.

Given these results, I ask the Prime Minister to allow farmers to run the CWB, to stop arbitrarily delaying interim payments, to lift the gag order and to support farmers.

\* \* \*

● (1415)

### BILL S-6

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, a few weeks ago, coalition members tried to delay important legislation that would repeal the faint hope clause and ensure that murderers spend the serious time they deserve behind bars. We want to ensure these criminals are not able to re-victimize the families of loved ones who have suffered so much already.

As it stands, these unnecessary amendments passed by the Liberal-led coalition would have sent this bill back to the Senate, further delaying its passage.

However, in the spirit of Christmas, we have given the Liberals a second chance to make things right. Tonight we will be voting on whether to get Bill S-6 back to its original form so it can be passed without being sent back to the Senate or the opposition can vote for further delay.

Victims and law-abiding Canadians deserve better than to have the Liberal-led coalition continue to play games with legislation that would protect all of us from crime.

*Oral Questions*

I call on the opposition to stop playing Scrooge with our crime bills, do the right thing and give victims of crime a very merry Christmas.

\* \* \*

**FRIENDS OF THE UTOPIA GRISTMILL & PARK**

**Hon. Helena Guergis (Simcoe—Grey, Ind. Cons.):** Mr. Speaker, I rise in the House today to support the Friends of the Utopia Gristmill & Park and thank Montreal Canadiens legend, Guy Lafleur, for the terrific tribute he made in honour of the Utopia Conservation Area and the restoration of Bell's Gristmill.

Built in 1860, the gristmill is still on its original frame structure. In 1965, it was donated to the Nottawasaga Valley Conservation Authority for a water conservation project and over the years a small group of approximately 100 people have overcome many hurdles to save the gristmill from being closed down and privatized.

I applaud the Friends of the Utopia Gristmill & Park who have worked hard to preserve this historic treasure and designate it as public green space, protecting our community's heritage against urban sprawl and securing many jobs for our youth. It is because of the commitment, spirit and hard work that the residents have put into this project that all residents of Utopia can be proud to call it their home for years to come.

I would like to wish all of my colleagues and constituents a very merry Christmas and all the best for the new year.

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**ORAL QUESTIONS**

[*Translation*]

**CANADA-U.S. RELATIONS**

**Hon. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, it has become clear that the government is currently negotiating a secret deal with the Americans regarding security. The details of the deal and the communications plan have already appeared in the media. However, with its usual disdain for this House and for the public, this government refuses to speak the truth.

Why does this government want to impose a secret deal on Canadians without a public debate? What is it trying to hide?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, there is no secret deal, although I will say that it is a priority of this government to improve our relations with the United States, ensure safety, and secure our economic access to the United States. This is in the best interests of Canadians.

**Hon. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, that vague response does not answer the question.

[*English*]

We know the government is negotiating a deal with the Americans. A text has been leaked to the press. The communications plan is out there. We know it is planning to announce it in January when Parliament is not sitting so it can shut down debate on the issue.

If the Prime Minister is so convinced that the deal is good for Canadian sovereignty and good for Canadian rights, why will he not debate it in public? What is he hiding?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, Canada already operates under what is called the Security and Prosperity Partnership with the United States and Mexico, something negotiated by the previous Liberal government. We are always looking for ways in which we can assure not only the security of Canadians, but the strength of the Canadian economy in the long term.

**Hon. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, again the Prime Minister is evading the question. It seems obvious that immigration is on the table, charter rights are on the table and security is on the table. It is about time he stood in this House and told Canadians what is going on. Why can he not afford to stand in this House and tell Canadians the truth?

• (1420)

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I have no such agreement, but we are always looking for ways to strengthen the security of Canada and strengthen the economy for Canadians. We will continue to do that as a government.

\* \* \*

[*Translation*]

**NATIONAL DEFENCE**

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, the Minister of National Defence no longer has any credibility on the F-35 file, none whatsoever. An open competitive process in Canada? It did not happen. A guaranteed fixed price? It is not true. A total of \$12 billion in spinoffs? There are no guarantees. A total cost of \$16 billion? No one believes it.

Does the minister know that his credibility is shot and that Canadians no longer believe him? Why is he letting the Americans make our military decisions for us?

[*English*]

**Hon. Peter MacKay (Minister of National Defence, CPC):** Mr. Speaker, I think what the member opposite, and particularly those in his constituency, would like to know is why the Liberal Party is constantly against efforts to give the Canadian Forces the important equipment it needs, like this aircraft.

Why is he also abandoning his local aerospace industry? In and around Montreal, it will be a primary beneficiary of the many jobs and the potential of billions of dollars in contracts that will be afforded the Canadian aerospace industry.

Why is he abandoning his constituents' interests and those of the Canadian Forces? That is what Canadians need to know.

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, unlike the Minister of National Defence, I proudly served in the Canadian Forces.

The Minister of National Defence is incredible. He is not even consistent. He says that it is a done deal but that is wrong. He says that it is a fixed price but that is wrong. He says that it is on time but that is wrong. He says that it was a competition but that is wrong. Because he has been so inept, he is now wasting money on a road show travelling across Canada to sell this—

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. The hon. Minister of National Defence.

**Hon. Peter MacKay (Minister of National Defence, CPC):** Mr. Speaker, I would like to thank the member for his tremendous service to this country in uniform. I would, however, ask him again why he is abandoning those who are currently in uniform who need this aircraft. Why is he abandoning the Canadian aerospace industry? In particular, why is he abandoning a company like Héroux-Devtek, which is currently operating in the Montreal area? It says that they enthusiastically support the Government of Canada's decision to purchase the F-35 joint strike fighters. The program, based on our partnership with nine nations, originating in 1997, will provide thousands—

**The Speaker:** The hon. member for Laurier—Sainte-Marie.

\* \* \*

[Translation]

#### CANADA REVENUE AGENCY

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the story involving Canada Revenue Agency employees and Tony Accurso is extremely murky, and the government is doing nothing to clarify matters. Yet six employees have been fired, three have been suspended, an auditor has been beaten up and many other investigations are under way. The numbers are starting to add up to a lot of people for a series of isolated cases.

Will the Prime Minister put an end to all the secrecy and give us an answer? Is there a ring? How many people are involved in this affair?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, this government will not tolerate any misconduct by Canada Revenue Agency employees, such as the cases brought to light by this investigation. Our government supports this investigation and will see to it that the CRA co-operates fully.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Prime Minister is determined to say nothing. But we are not asking for details about individual cases. We want the straight goods, especially since the integrity commissioner was recently accused of not doing her job properly.

Can the Prime Minister at least give us an idea of where things stand right now? Is there a ring, yes or no?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, an investigation is under way and the RCMP has been informed. As I just said, this misconduct is totally unacceptable, and our government will deal with this situation.

#### Oral Questions

#### FINANCIAL INSTITUTIONS

**Mr. Daniel Paillé (Hochelaga, BQ):** Mr. Speaker, in the Standing Committee on Finance, representatives from the Department of Finance restated their decision not to ask the banks to close their subsidiaries in tax havens, as France has done. What is more, these officials confirmed that by using tax havens the banks saved \$1.5 billion in 2009.

Why is the Minister of Finance attacking low income workers, but allowing his banker friends to save \$1.5 billion by using tax havens? Let the Minister of Finance answer.

• (1425)

[English]

**Hon. Keith Ashfield (Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, the CRA has made a decision to focus on aggressive audit efforts to find the money that is hiding in offshore accounts rather than study it.

The Prime Minister and the government have taken decisive action to give CRA the tools and resources it needs to aggressively pursue those Canadians who avoid paying their taxes.

Last year alone CRA uncovered \$1 billion in unpaid taxes internationally, nearly eight times the amount uncovered during the last years of the Liberals.

\* \* \*

[Translation]

#### CANADA-PANAMA FREE TRADE AGREEMENT

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, in the Standing Committee on International Trade, the Conservative and Liberal members refused not once, but twice to have a tax information exchange agreement signed before implementing the Canada-Panama Free Trade Agreement.

How can the Conservative government continue to promote an agreement that will contribute to decreasing its tax revenue but increase the profits of white collar criminals who evade taxes?

[English]

**Hon. Peter Van Loan (Minister of International Trade, CPC):** Mr. Speaker, our free trade agreement with Panama does nothing of the sort. What it does is help us achieve our objective of focusing on Canada's economy, on creating economic opportunities for Canadians, on creating job opportunities for Canadians.

That is what our ambitious free trade agenda is doing. We have entered into free trade agreements with eight countries since we formed the government. The result is more opportunities for Canadians, for jobs and for economic growth.

That is why we are continuing to negotiate with the European Union for a very ambitious free trade agreement with them. Again our focus is jobs and prosperity for Canadians.

*Oral Questions***TAXATION**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, in 2008 in the middle of the worst recession that we have seen in a long, long time, the Prime Minister took to the airwaves to tell Canadians that they should take advantage of buying opportunities on the stock market.

Now, as Canadians are overwhelmed with debt, historic household debt, the Prime Minister waves his finger at Canadians and just tells them to stop borrowing.

Talk about being out of touch with the reality that Canadians are facing. But it is not too late to act. He can take one practical step today.

Will the Prime Minister agree to remove the federal tax off home heating?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, of course, the economy remains the number one priority of Canadians and of this government.

This government has taken a number of actions to encourage savings, such as the tax free savings account, and a number of measures to assure access to credit but also to encourage sound borrowing by consumers.

This government will continue to take actions where it is necessary to do so.

[*Translation*]

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, Canadians are drowning in debt, but the Prime Minister is blaming them, saying they must have gotten into debt because of the recession. That is unacceptable.

There are practical solutions for helping people. For example, home heating in Canada is not a luxury.

Why does the government not work with us to eliminate federal tax on home heating?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, this government has lowered the tax by 2%, not just on heating, but on all consumer goods. Unfortunately, the New Democratic Party voted against lowering consumer taxes. I am sure the NDP will keep doing such things in future. This government will be lowering consumer taxes.

[*English*]

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, Canadians are living under a mountain of crushing debt right now.

People are borrowing money because they are out of work, and that is because the quality jobs that they need and that would allow them to get out of debt are not available.

Conservatives promised to make life more affordable, but instead they made decisions to put in payroll taxes and to impose an HST. Seniors, students and people out of work are not borrowing for fun; they are borrowing to get by.

When will the Prime Minister stop insulting Canadians and take—

• (1430)

**The Speaker:** Order, the right hon. Prime Minister.

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, of course it is the NDP and its opposition coalition colleagues who want to raise the GST back up two percentage points.

It is the NDP and its opposition friends who want to raise the taxes on employers in this country. It is the NDP and its opposition friends who want to have EI premiums raised 60% so people can work a 45-day work year.

This is the government that has cut taxes and cut costs for Canadians so they can cope with the recession. Canadians know that if they want their taxes lowered, it is the Conservative Party—

**The Speaker:** Order, the hon. member for Kings—Hants.

\* \* \*

**THE ECONOMY**

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, the Governor of the Bank of Canada has warned that today's record level of mortgage and household debt is threatening the Canadian economy.

But the finance minister is dithering, saying, "...the situation is not urgent...".

Why will the minister not take the Governor of the Bank of Canada seriously? Does the minister now regret his decision in 2006 to bring in 40-year mortgages with no down payments?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, we clearly do not want Canadians over-extended.

With respect to residential mortgages, which is what I think the member is referencing, twice we have tightened the rules for residential mortgages, insured mortgages, once in 2008 and earlier this year in 2010.

If the rules need to be tightened again, we will do so.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, that from the minister who loosened the rules to begin with.

*The Economist* magazine and the Bank of Canada are united in their warning that Canadian families are at risk because of serious debt and housing bubbles.

Can we trust this minister today when he says, "Don't worry; be happy", when in fact he is the minister who helped cause the problem by loosening the rules to begin with? He is the minister who helped create not only a national deficit that is at record levels at \$56 billion but also record high personal debt levels with his crazy mortgage rule changes.

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, the member opposite can trust the government to continue to take responsible action, as we have done.

*Oral Questions*

We set up the financial literacy task force. We introduced credit card reform and a voluntary code of conduct with respect to credit cards. As I indicated, we have tightened the insured mortgage rules twice. Of course, we have encouraged Canadians to save through the tax-free savings accounts, and many thousands of Canadians have taken advantage of that.

\* \* \*

**HEALTH**

**Hon. Ujjal Dosanjh (Vancouver South, Lib.):** Mr. Speaker, in 1997, the Prime Minister said, "It's past time the feds scrapped the Canada Health Act".

In 2005, just before he took power, he said that two-tier health care "would be a good idea".

The Conservatives deny the federal government's role and speak openly about transferring tax points to the provinces. That would kill the Canada Health Act. The Prime Minister has done nothing since 2006 except flow the 2004 accord dollars to the provinces.

Does the Prime Minister believe he has a role in standing up for public health in Canada?

**Hon. Leona Aglukkaq (Minister of Health, CPC):** Mr. Speaker, again, our government is committed to a universal public health care system. We support the law of the land, which is the Canada Health Act.

We will continue to work with the provinces and territories, and our government will continue to transfer budgets, increasing by 6% per year to an all time high of \$25 billion so that they can continue to meet the health care needs of their residents.

**Hon. Ujjal Dosanjh (Vancouver South, Lib.):** Mr. Speaker, that means the government will do nothing more.

In his firewall letter in 2001, the Prime Minister wrote that each province should raise its own revenue for health care, replace Canada health and social transfer cash with tax points.

The tea party leader from Beauce advocated transferring the tax points to the provinces, and Brian Mulroney recently argued for some form of user fees. That would make it an open season for privatization and user fees.

Will the Prime Minister tell us what he really believes about the federal role in health care and his penchant for privatization?

**Hon. Leona Aglukkaq (Minister of Health, CPC):** Mr. Speaker, we have nothing to learn from the Liberal Party. Unlike the previous Liberal government, we will not balance a budget by cutting health transfers to the provinces and territories.

Let me quote the hon. member who was commenting on the Chrétien-Martin surpluses. He said they were "accumulated over the backs of the provinces and territories in cuts to transfers payments".

Who was this? The member for Vancouver South.

● (1435)

[*Translation*]

**PORT OF QUEBEC CITY**

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, serious questions have been raised with respect to the appointment of the new president and CEO of the Quebec City port authority. The initial call for candidates required the prospective president and CEO to have a university degree. Somewhere along the line, this requirement mysteriously disappeared. The situation is of sufficient concern that one member of the board of directors has asked that the appointment be cancelled.

The minister is most definitely concerned because he personally wrote to the board of directors. Can he tell us what the board of directors of the Quebec City port authority had to say? Is he satisfied with their answers?

[*English*]

**Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, a port authority is an independent, arm's-length authority from the House of Commons.

I did write to the people at the port authority and encouraged them to make sure that in all their actions, as I do with other port authorities, they remember their fiduciary responsibilities, that they follow through on their letters patent and that they act accordingly.

However, the authority is an arm's-length body. It makes its appointments in that way and we look forward to working closely with it in the years to come.

[*Translation*]

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, two ferries that operate between Nova Scotia and Newfoundland and Labrador will be replaced. Rather than having the vessels built by a Quebec firm, such as the Davie shipyards in Lévis, the Conservative government chose to lease the vessels in Sweden and have them upgraded in Germany.

Why does the Conservative government prefer to create jobs in Germany and Sweden rather than in Lévis?

[*English*]

**Hon. Rob Merrifield (Minister of State (Transport), CPC):** Mr. Speaker, I should thank my hon. colleague for the question because it gives me an opportunity to explain to the House exactly what we are doing.

Two new ferries are coming in to handle the demands of traffic between North Sydney and Port au Basques, Newfoundland. This is a great news story for the people there, a great new revitalization of the ferry right from the ground up, and it is wonderful news that we are proud as a government to invest in for the people of Atlantic Canada.

*Oral Questions*

[Translation]

**CHAMPLAIN BRIDGE**

**Mrs. Josée Beaudin (Saint-Lambert, BQ):** Mr. Speaker, the government has been dithering about the future of the Champlain Bridge for over two years. It has ordered study after study without making them public, which is not at all reassuring considering that serious concerns have been expressed about the bridge's structural integrity. The most recent prefeasibility study for the replacement of the Champlain Bridge was to have been completed this fall.

Can the minister tell us whether the latest study has been completed and whether it will be made public?

[English]

**Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, the member is right. There is a study on the Champlain Bridge, not only on the safety of the bridge. It is a safe bridge and we want to make sure it continues that way. We made long-term investments in the last budget to make sure it stays that way.

We have been working with the city, with the provincial government and with our own experts to make sure that the bridge is safe. We have made the necessary investments to make sure it stays that way.

\* \* \*

[Translation]

**CANADA BORDER SERVICES AGENCY**

**Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ):** Mr. Speaker, the Franklin Center and Jamieson's Line border crossings will be shut down on April 1, despite the opposition of elected officials and representatives from the business world and the tourism industry. Despite the 5,500 petitioners, the Canada Border Services Agency will not budge and is standing alone.

Will the minister at least respond to the mayor of Franklin, who has been calling for a meeting with the new president of the Canada Border Services Agency regarding a potential agreement between Canada and the United States for shared border crossings?

[English]

**Hon. Vic Toews (Minister of Public Safety, CPC):** Mr. Speaker, if the mayor of that community wishes a meeting with the president of the CBSA, I will arrange that meeting.

\* \* \*

[Translation]

**OFFICE OF THE INTEGRITY COMMISSIONER**

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, what a mess we have with the office of the integrity commissioner: four years wasted and \$11 million lost, possible violations of the Criminal Code, violations of the Privacy Act and allegations of obstruction, but no investigation.

Will the Prime Minister finally admit that, from the beginning, the office was simply created to muzzle whistleblowers and to protect the government?

**Hon. Stockwell Day (President of the Treasury Board and Minister for the Asia-Pacific Gateway, CPC):** Mr. Speaker, that is absolutely not the case. I announced today that the interim commissioner will examine the old cases that were rejected by the former integrity commissioner. He will ensure that these cases are followed up. Public servants and government workers can have faith in the commissioner. I also hope that the committee will make recommendations to the commissioner.

● (1440)

[English]

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, no one is going to be fooled by this. Four years of doing nothing, 228 files and none pursued, \$11 million wasted and four years of infighting and intimidation. When will the Prime Minister finally admit that he set up the Office of the Public Service Integrity Commissioner in order to silence the government's critics and to hide the government's own failings? When will he own up?

**Hon. Stockwell Day (President of the Treasury Board and Minister for the Asia-Pacific Gateway, CPC):** Mr. Speaker, regardless of the decibel level of my friend's frothing, he cannot escape the fact that this particular appointment, by legislation, went to the all party government operations committee which unanimously approved it. It then went to the House for approval and then to the Senate for approval. That appointment was approved unanimously across the board. The former commissioner also brings her reports to that committee. If I or any minister had tried to interfere in that process, the member would be frothing again on that one today. He should deal with the truth on this.

\* \* \*

**GOVERNMENT FUNDING**

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Speaker, after seven years of federal funding, the Advanced Foods and Materials Network, AFMNet, a large group of Canadian experts whose research in healthier food innovation, nutrition and traceability is fundamental to food policy development in Canada, had its funding cut leaving a huge R and D vacuum on these important issues. Healthy eating means healthier people and reduced health care costs. It is that simple. Creating more nutritious and healthier food needs research.

Did the minister consult with Health Canada and with Agriculture Canada before AFMNet funds were arbitrarily cut?

**Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, our government is investing a record \$11.7 billion in science and technology this year, creating jobs to improve the quality of life for Canadians and to stabilize the economy. The Networks of Centres of Excellence is a highly successful program and they are always receiving more applications than they can fund.



*Oral Questions*

Decisions to fund projects are not made by politicians. They are made by an independent expert panel of scientists based on how well the projects meet criteria.

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Speaker, regardless of who cut the funds, these cuts make no sense. They undermine the health of Canadians.

The money already spent and infrastructure built through AFMNet will be thrown away, as will the discoveries it is on the verge of making, like sodium substitutes to improve Canadians' nutrition and therefore health.

Healthy Canadians equal reduced health care costs. The Conservatives find the money for other things.

Will the minister assure the House that funding will be restored, even through other sources, to such a vital stakeholder that provides critical information, research and development to the food industry?

**Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, since 2007, we have invested almost 287 million more dollars to expand the Networks of Centres of Excellence. The member for Guelph and the Liberal Party voted against it. We then invested \$16 million in environmental research at the University of Guelph and the member for Guelph and the Liberals voted against it.

Instead of trying to interfere with independent scientific boards, perhaps the member should be supporting the work of scientists in his community and across Canada.

\* \* \*

**PUBLIC SAFETY**

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, believe it or not, criminals who commit sexual offences against children are eligible for a pardon. Our Conservative government introduced legislation to put an end to this, legislation that, thanks to the Liberal-led coalition, has been waiting nearly six months.

Today the coalition again gave voice to pleas from convicted criminals who want to keep Canada's pardon system as is. Enough is enough.

What can the Minister of Public Safety tell the House about the government's plans to advance laws that put law-abiding Canadians and victims first?

**Hon. Vic Toews (Minister of Public Safety, CPC):** Mr. Speaker, we called a special meeting of the public safety committee to try to move this important bill forward. Today the Liberal-led coalition blocked those efforts once again. I wish the member for Ajax—Pickering would show as much compassion for the victims of crime as he does for perpetrators.

Again I would call on the opposition to finally listen to victims and support Bill C-23B, a bill that would deny child sex offenders the right to ever receive a pardon.

• (1445)

[*Translation*]

**HEALTH**

**Ms. Megan Leslie (Halifax, NDP):** Mr. Speaker, in 2008 Canadians spent \$25 billion on prescription drugs. Over a quarter of the Canadian population does not have drug coverage and thousands of Canadians did not have their prescriptions filled simply because they did not have the money to do so.

The Canadian Health Coalition has said that a national strategy for the purchase of prescription medication would save Canadians over \$10 billion a year.

Will the Conservatives implement this strategy?

[*English*]

**Hon. Leona Aglukkaq (Minister of Health, CPC):** Mr. Speaker, our government is a large spender on pharmaceutical benefits. We provided approximately \$600 million last year to cover pharmaceutical products, medical supplies and equipment. This funding is a positive investment for a diverse population, including first nations and the Inuit.

As well, we have continued to honour the 2004 health accord which provides \$41.3 billion in additional funding to the provinces and territories. Our government will continue to work with the provinces and territories on this important initiative.

**Ms. Megan Leslie (Halifax, NDP):** Mr. Speaker, yesterday, the Prime Minister said that Canadians were to blame for the increasing debt loads.

However, it is not their fault that prescription drug prices are skyrocketing. They are not to blame for the high cost of long-term care or home care. Lower health outcomes and higher health costs related to poverty are not their fault.

The solution to rising health care costs must involve federal leadership that goes beyond health care transfers but where is the minister?

When will the government finally start a national conversation about health care, including making prescription drugs more affordable?

**Hon. Leona Aglukkaq (Minister of Health, CPC):** Mr. Speaker, our government recognizes the importance of affordable access to drugs as part of our quality health care system. The responsibility is within the provinces and the territories to decide whether to provide their residents with publicly financed drug therapies. We support and respect the role of provincial and territorial governments.

We continue to increase transfers to the provinces, a payment of over \$25 billion this year, an all time high, which is a 6% increase from last year.

*Oral Questions*

[Translation]

**HOUSING**

**Mr. Christian Ouellet (Brome—Missisquoi, BQ):** Mr. Speaker, Quebec will budget more money for its replacement, improvement and modernization program until 2013 in order to tackle maintenance issues in low-income housing. But CMHC will no longer honour its commitments or the part of the budget set aside for maintenance, meaning that the Société d'habitation du Québec has to cut its maintenance budget by 30%.

Will the federal government reinvest and transfer the necessary funds so that Quebec can continue its low-income housing maintenance programs?

[English]

**Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC):** Mr. Speaker, CMHC does a really good job in helping to keep our economy on an even keel. We saw that through the global recession. In fact, our international partners and countries around the world have raised plaudits for CMHC and the fine job it is doing.

CMHC is working with the Government of Quebec. There is a special relationship there and we look forward to continuing that relationship.

[Translation]

**Mr. Christian Ouellet (Brome—Missisquoi, BQ):** Mr. Speaker, instead of improving homelessness partnering strategy programs, the government has announced new bureaucratic requirements, which have led to uncertainty in terms of starting new projects and the end of funding for many others.

Does the government realize that its relentless, short-sighted amendments risk creating service interruptions for the homeless?

**Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC):** Mr. Speaker, we consulted the provinces and the territories to find out what they need, particularly in terms of homelessness. We have kept our promises. We listened to the requests from the provinces and territories and we are working with them. We guaranteed funding for homelessness programs for five years. That is more than any other government has ever done.

\* \* \*

●(1450)

**THE ENVIRONMENT**

**Mr. Gerard Kennedy (Parkdale—High Park, Lib.):** Mr. Speaker, Canadians were shocked by how this government embarrassed them in Cancun. The only thing this government did was obstruct and sabotage international efforts.

Will the government cancel the \$1.4 billion in useless, ineffective subsidies to the fossil fuel industry and put that money into clean energy?

Will it fully support all efforts to fight global warming, yes or no?

[English]

**Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC):** Mr. Speaker, do you know who brought in the subsidies for the oil sands and the

accelerated capital cost allowance? It was the Liberal Party of Canada. Who had the courage to do the right thing and remove those subsidies? It was this Minister of Finance who was named the finance minister of the year.

**Mr. Gerard Kennedy (Parkdale—High Park, Lib.):** Mr. Speaker, the minister of bluster over there won all the international booby prizes that could be won in Mexico, from daily fossil awards to colossal fossil for the climate change talks.

In the six days that I was there, everyone from other countries and our own NGOs were asking when the government would stop blocking and start acting to protect Canadians.

Will the minister cancel the \$1.4 billion a year in inefficient fossil subsidies now and put those dollars into programs that will help? Will he immediately restore the energy retrofit program that he cancelled so middle and low income Canadians can stop paying so much for their heating this winter? Will he do that?

**Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC):** Mr. Speaker, I was happy to be at the high level negotiations in Cancun. They started on Tuesday at three o'clock and went very late. I was so pleased to see the NDP member of Parliament stay until the bitter end. I was also pleased to see the Bloc Québécois member stay until the bitter end. However, halfway through the conference the representative of the Liberal Party went home, so how would he know what went on in Cancun?

\* \* \*

**FOREIGN TAKEOVERS**

**Mr. Claude Gravelle (Nickel Belt, NDP):** Mr. Speaker, just this morning we learned that the government had planned to approve the BHP deal until political risks grew too great. No wonder the Minister of Industry is refusing to tell Canadians why he turned down the BHP takeover.

The Conservatives voted for the NDP motion calling for greater transparency and openness but now they are lowering the cone of silence again.

Why will the Conservatives not level with Canadians? Why is the Minister of Industry keeping his reasons a secret?

**Hon. Tony Clement (Minister of Industry, CPC):** Unfortunately, Mr. Speaker, this is the second time in a week where the NDP asks questions in this chamber based on rumour and allegation, not based on the facts of the case.

I have made it clear. I made an announcement. Perhaps the hon. member was aware that the BHP bid was not of net benefit to Canada. I did explain some of the reasons behind that decision and that was covered by the media.

The hon. member continues to act on rumour and spurious allegation. We act on facts for the best interests of Canada and Canadians.

[Translation]

### MINING INDUSTRY

**Mr. Claude Gravelle (Nickel Belt, NDP):** Mr. Speaker, yesterday, the Minister of Industry pretended to know nothing about his own notes on Vale Inco. I will therefore repeat the question in the hope that the minister's response will be more informative.

A document obtained by Radio-Canada through access to information clearly reveals that the minister was aware of the violation of the agreement reached between Vale Inco and Investment Canada. Under the circumstances, why did the Conservatives not take legal action against that corporation?

[English]

**Hon. Tony Clement (Minister of Industry, CPC):** Mr. Speaker, I spoke to the hon. member's leader yesterday and I will repeat what I said for the chamber today.

It is in fact the exact opposite of what the hon. member is alleging. I was briefed that in fact Vale Inco was in compliance with its undertakings. If that were not the case, I would have acted on behalf of Canada and Canadians.

\* \* \*

### PUBLIC SAFETY

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Mr. Speaker, hundreds of vehicles are stranded on Highway 402 between Strathroy and Sarnia because of an extreme snow blizzard. The highway has been shut down and some travellers have been stranded in their cars since Sunday night. I have just talked with a number of municipal leaders and the situation is dangerous and desperate. Yet they are very appreciative of the government's help.

Would the Minister of National Defence tell us what the federal government is doing to help these people get to safety?

• (1455)

**Hon. Peter MacKay (Minister of National Defence, CPC):** Mr. Speaker, I appreciate the question and the concern expressed by the member for Lambton—Kent—Middlesex. We all share that concern for the travellers who are stranded in the snowstorm that has pounded southwest Ontario and has left people in their vehicles on Highway 402.

Canadian Forces are hard at work, including members of a helicopter crew and SAR techs, to help the Ontario Provincial Police and fire services. Those citizens who were stranded have benefited greatly from these efforts and I applaud all that has been done thus far. I have indicated to the provincial minister that the Canadian Forces are there to do more.

At home or abroad, the magnificent men and women of the forces are doing their job.

\* \* \*

### CANADA POST CORPORATION

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, it appears the government has abandoned its moratorium on closing rural post offices. Despite assurances that the post office in Burgoyne's Cove in my riding would remain open, Canada Post has

### Oral Questions

closed it and used underhanded tactics to do so, including installing roadside mailboxes that it said would be a temporary measure.

I ask the minister responsible for Canada Post if the government has lifted the moratorium and instructed Canada Post to begin closing down rural post offices as yet another way to nickel and dime Canadians, while ministers overspend their budgets.

**Hon. Rob Merrifield (Minister of State (Transport), CPC):** Mr. Speaker, when I first got the portfolio two years ago, I understood that there was a need to protect rural post offices and rural mailboxes. We brought in a service charter that guaranteed an agreement between Canada Post and the rural people of Canada that delivery of their mail would get through.

The moratorium stays as part of the charter. We are working in the best interest of Canada to ensure Canada Post delivers the mail on time.

\* \* \*

[Translation]

### AGRICULTURE

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, the last cattle slaughterhouse in Quebec, Levinoff-Colbex, is threatened with closure. Farm producers who injected \$30 million have already done their part to save this business, which employs more than 300 people. Levinoff-Colbex got off to a rocky start after it was bought by producers, but anticipates that it will break even next year.

Will the Minister of State for Agriculture do his part and announce at least an extension of the program to support slaughterhouses in removing specified risk materials or SRMs?

**Hon. Jean-Pierre Blackburn (Minister of Veterans Affairs and Minister of State (Agriculture), CPC):** Mr. Speaker, I am pleased to inform the hon. member that we received a letter this morning from Levinoff-Colbex. We are analyzing this case. I also want to remind the member that our government has offered \$9.6 million to save Levinoff-Colbex. That offer is conditional on a viable business plan, of course. We will look at the letter that came this morning.

We have spent \$25 million to offset the added costs of processing SRMs. Levinoff-Colbex has received funding and will continue to receive money under this program.

\* \* \*

[English]

### THE ENVIRONMENT

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, for several months, perhaps for several years, contaminants have been seeping from the Chevron refinery in Burnaby into Burrard Inlet. While the amount is small, local residents are concerned about the cumulative effect, that the source has not been found and that remediation has been limited.

Who is responsible? Is Environment Canada working with other agencies and governments? What is the federal government doing to ensure that the seepage stops and the groundwater, soil and waters of Burrard Inlet are cleaned up?

*Oral Questions*

**Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC):** Mr. Speaker, at the outset, I want to acknowledge the work the member opposite has done on water quality in Burrard Inlet. We are as concerned as he is.

Environment Canada is working very closely with the province of British Columbia. First, we want to contain any spill. Second, we want to identify the source of the leak. Third, we want to ensure that all of Canada's tough environmental laws are fully enforced so the polluter will be held responsible.

\* \* \*

**TAXATION**

**Mr. Royal Galipeau (Ottawa—Orléans, CPC):** Mr. Speaker, when it comes to modernizing Canada's copyright laws, the position of the government is very different from that of the opposition coalition.

[Translation]

Our government is proposing a balanced approach to copyright. Our proposal is good for Canada's economy and benefits all Canadians, especially young Canadians.

[English]

On the other hand, the opposition coalition would slap a \$75 tax on every iPod Canadians buy, just in time for Christmas.

Could the Minister of Canadian Heritage remind the House why we oppose this tax?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, this is what the Retail Council of Canada said today. The iPod tax “will drive away Canadian retailers, draining hundreds of millions of dollars from the Canadian economy”.

This is what Loreena McKennitt, a Juno award-winning artist said, “I oppose the iPod tax. It's bad for Canadian artists”.

The gaming industry said, “The iPod tax is harmful. It's not something that we're supportive of”.

As more Canadians are understanding what the opposition wants to do by imposing a massive new \$75 iPod tax, more and more Canadians are standing up and saying “no”. We need to ensure they understand. The coalition is saying—

• (1500)

**The Speaker:** The hon. member for Random—Burin—St. George's.

\* \* \*

**CANADA POST CORPORATION**

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, despite a meeting in Burgoyne's Cove with community leaders, where it was made clear that the post office should stay open, Canada Post carried out a survey of the residents in July, when many of the residents were either working away or on vacation, and the survey did not include people living in surrounding communities who used the post office.

Will the minister instruct Canada Post to reverse this decision, or has the government given instructions that all rural post offices are on the chopping block?

**Hon. Rob Merrifield (Minister of State (Transport), CPC):** Mr. Speaker, let me inform the House and my hon. colleague that no rural post offices are on the block. The moratorium is part of the service charter.

If she is having problems with her specific post office, under the charter there are only very limited ways that it can be closed. The post office must work with the community to find alternatives so the mail gets through. Canada Post will work with those communities to make certain those post offices stay open and the mail gets through. That is our obligation.

\* \* \*

[Translation]

**RIGHTS & DEMOCRACY**

**Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, the Conservatives have taken over Rights & Democracy claiming that the agency was poorly managed. A number of documents on how the previous administration managed it still have not been made public. The Minister of Foreign Affairs has been sitting on an accounting report for months.

How does the government explain that after stacking Rights & Democracy with Conservative cronies, it is unable to get its new administration to produce the documents required by the Standing Committee on Foreign Affairs and International Development?

**Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC):** Mr. Speaker, I understand the hon. member's impatience, but I would like to remind him that it was my parliamentary assistant who suggested in committee that the committee obtain the report. It was not the opposition. We are the ones seeking the truth. We are the ones who want everything to come to light. When the committee members meet, they can question all the board members and the president.

\* \* \*

[English]

**PRESENCE IN GALLERY**

**The Speaker:** I wish to draw to the attention of hon. members the presence in the gallery of the Honourable Jackson Lafferty, Minister of Justice and Minister of Education, Culture and Employment for the Northwest Territories.

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

\* \* \*

**BUSINESS OF THE HOUSE**

**Hon. Gordon O'Connor (Minister of State and Chief Government Whip, CPC):** Mr. Speaker, there have been consultations and I think you would find agreement for the following motion. I move:

That, notwithstanding any Standing Order or usual practice of the House, during the debate pursuant to Standing Order 53.1 later today, no quorum call, request for unanimous consent or dilatory motion be received by the Chair.

**The Speaker:** Does the hon. Chief Government Whip have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

### POINTS OF ORDER

#### MEMBER'S PARTICIPATION AT CONFERENCE

**Mr. Gerard Kennedy (Parkdale—High Park, Lib.):** Mr. Speaker, I rise on a point of order, which may be a question of privilege. Twice now the government has referred erroneously to me and my conduct as a member of Parliament at an international conference. The minister who was one of those people referencing knows full well that in fact I attended six days of the conference, longer than the minister, longer than any representative of the government, and in fact that I returned only to be at a meeting in my riding on the same subject one day before the conclusion of the conference.

This is a compromise of my position as a member of Parliament to have the government misrepresent in an authoritative fashion what are actually the facts.

I rely on you, Mr. Speaker, to pursue the government to have that record corrected and to not have it repeated in future.

● (1505)

**Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, on the same point of order, it was about two months ago in Nagoya the member did not participate actively.

In the biodiversity conference in Cancun, he was not actively participating as we heard that the other opposition members were.

Wasting the taxpayer's dollars is very serious. Would he repay the Canadian taxpayer for not participating?

**Mr. Gerard Kennedy:** Mr. Speaker, in Nagoya I attended over 22 meetings, including an hour and a half with the president of the World Bank.

In Cancun and Mexico City I had 37 different meetings. I challenge any of the members opposite to publish their schedules and show us what they did.

The point I want to return to is, as a member of Parliament on official Canadian business, I am being misrepresented by the government, which knows better and knows otherwise, in a manner which is deleterious to the privileges of every member of the House. It is using its position in government to smear or deconstruct the respect which should be due to each hon. member of the House.

### Speaker's Ruling

**The Speaker:** Once again, I am sure hon. members know the Chair repeatedly says that it is not the business of the Speaker to get involved in disputes as to facts. I will look at the matter, but it sounds a lot like a dispute as to facts.

I urge hon. members to refrain from suggestions about the conduct, or appearances or whatever of others because I do not think it helps and obviously misrepresentations can occur.

#### COMMENTS OF THE MEMBER FOR WESTMOUNT—VILLE-MARIE

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, this point of order comes from yesterday's question period. I am sorry, I should have raised it yesterday at my first opportunity, but I have had an opportunity to examine *Hansard* from yesterday's question period.

I note that unfortunately the member for Westmount—Ville-Marie on two occasions, Mr. Speaker, accused the Minister of National Defence of deliberately misleading the House.

I would merely ask the hon. member for Westmount—Ville Marie to retract his statements and to apologize for his comments.

**The Speaker:** I will look again into the record and see if such a statement is necessary.

#### STATEMENTS BY MEMBERS—SPEAKER'S RULING

**The Speaker:** I am now prepared to rule on the point of order raised on November 30, 2010 by the member for Scarborough—Rouge River concerning a statement pursuant to Standing Order 31 made by the member for Brant with regard to the member for Ajax—Pickering.

I would like to thank the hon. member for Scarborough—Rouge River for bringing this matter to the attention of the House, as well as the hon. parliamentary secretary to the government House leader for his intervention.

[Translation]

The member for Scarborough—Rouge River claimed that the member for Brant had delivered what could only be regarded as a “negative attack” on the member for Ajax—Pickering, and argued that it was in disregard of previous rulings and the rules of the House.

[English]

In reviewing this matter it was immediately apparent to the Chair that the statement complained of related directly to committee proceedings. In a very similar case in which the conduct of a member in committee was called into question, I reminded the House in a ruling on June 14, 2010 that it is incumbent upon committees themselves to deal with issues that arise from their proceedings.

[Translation]

With regard to the content of the statement itself, I would like to draw the attention of the House to page 618 of *House of Commons Procedure and Practice, Second Edition*, where we are clearly reminded that:

### *Privilege*

The proceedings of the House are based on a long-standing tradition of respect for the integrity of all Members. Thus, the use of offensive, provocative or threatening language in the House is strictly forbidden. Personal attacks, insults and obscenities are not in order.

[*English*]

*House of Commons Procedure and Practice*, Second Edition, at page 614, goes even further in stating that:

Remarks directed specifically at another Member which question that Member's integrity, honesty or character are not in order. A Member will be requested to withdraw offensive remarks, allegations, or accusations of impropriety directed towards another Member.

• (1510)

[*Translation*]

This is why in my ruling from June 14, 2010, at page 3779 of the *Debates*, I stressed that:

When speaking in the House, Members must remain ever cognizant of these fundamental rules. They exist to safeguard the reputation and dignity not only of the House itself but also that of all its Members.

[*English*]

Furthermore, on page 3778, I noted, as have other Speakers:

...that the privilege of freedom of speech that members enjoy confers responsibilities on those who are protected by it, and members must use great care in exercising their right to speak freely in the House.

[*Translation*]

At that time I also expressed the Chair's concern with the "continuing and unsettling trend toward using members' statements as a vehicle to criticize other members".

[*English*]

As the Chair has indicated in the past, personal attacks in Statements by Members pursuant to Standing Order 31 are of particular concern in that the members targeted are left without an opportunity to respond to or deal directly with the accusations that are made.

For all of these reasons, after careful review of the Statement of the member for Brant, the Chair finds that it constituted a personal attack on the member for Ajax—Pickering and that it was an inappropriate use of a statement made pursuant to Standing Order 31. Therefore, I call upon the member for Brant to withdraw his comments.

**Mr. Phil McColeman (Brant, CPC):** Mr. Speaker, the comments are withdrawn.

[*Translation*]

**The Speaker:** The hon. member for Longueuil—Pierre-Boucher has a question of privilege. He will give his opinion on the matter raised yesterday.

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### PRIVILEGE

STATEMENTS BY THE MINISTER AND THE PARLIAMENTARY SECRETARY  
REGARDING KAIROS

**Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, I rise today to address the question of privilege raised by the hon. member for Scarborough—Guildwood regarding certain comments made recently by the Minister of International Coopera-

tion and her parliamentary secretary, comments that misled the House. I have no intention of repeating the demonstration given by my hon. Liberal colleague yesterday on the sequence of statements. I fully agree with what he said.

I will simply summarize the facts. For eight months, the Minister of International Cooperation and her parliamentary secretary led the House to believe that KAIROS did not receive funding because it did not meet the criteria, and they attributed this decision to government officials, including those from the Canadian International Development Agency or CIDA.

However, when the president of CIDA appeared before the Standing Committee on Foreign Affairs and International Development last week, in response to a question I asked, she clearly indicated that CIDA had recommended that the minister grant KAIROS the funding.

As my hon. colleague from Scarborough—Guildwood pointed out yesterday, from the statements made in committee and the documentation tabled there, it is clear that CIDA had, on the contrary, recommended that the minister grant the funding to KAIROS, quite the opposite of what the minister and her parliamentary secretary had said.

The minister must have been aware that the denial resulted from a political decision, contrary to what she said in the House. I, too, believe that this is a case of contempt for Parliament. Contempt is not clearly defined. O'Brien-Bosc, on page 82, says this:

There are, however, other affronts against the dignity and authority of Parliament which may not fall within one of the specifically defined privileges. Thus, the House also claims the right to punish, as a contempt, any action which, though not a breach of a specific privilege, tends to obstruct or impede the House in the performance of its functions; obstructs or impedes any Member or Officer of the House in the discharge of their duties....

Deliberately misleading the House is a case of contempt for Parliament. In fact, on page 132 of *Erskine May*, 23rd edition, it says:

[*English*]

The Commons may treat the making of a deliberately misleading statement as a contempt. In 1963 the House resolved that in making a personal statement which contained words which he later admitted not to be true, a former Member had been guilty of a grave contempt.

[*Translation*]

Mr. Speaker, in your ruling from February 1, 2002, on a question of privilege in which it was alleged that the Minister of National Defence misled the House, you said the following:

The authorities are consistent about the need for clarity in our proceedings and about the need to ensure the integrity of the information provided by the government to the House.

In its report concerning this question of privilege, which was presented to the House on March 22, 2002, the Standing Committee on Procedure and House Affairs made the following statement:

Incorrect statements in the House of Commons cannot be condoned. It is essential that Members have accurate and timely information, and that the integrity of the information provided by the Government to the House is ensured.

In light of these facts, which clearly establish that the minister deliberately misled the House, and given the precedents that I just cited, I believe that the question of privilege submitted by my colleague is a prima facie case. Consequently, he should be allowed to move his motion.

• (1515)

[English]

**The Speaker:** The hon. member for Toronto Centre is rising on the same point.

**Hon. Bob Rae (Toronto Centre, Lib.):** Yes, I am, Mr. Speaker, if I may.

I have noticed that two days have now passed. The Minister responsible for CIDA, the Minister of International Cooperation, has chosen not to participate in the discussion. She is directly involved in this issue in ways that I think require the minister to respond.

Let me be very clear for the benefit of members of the House as to why the minister should respond. I think my colleague from Scarborough—Guildwood has made very clear in his statement, and it has been backed up today by my colleague in the Bloc Québécois, what constitutes a question of privilege and why this is an issue that the House has to deal with.

There are really two questions. The first one is the issue of how the government chose to explain the decision on KAIROS. The government chose to explain the decision on KAIROS by saying that the government and CIDA looked very carefully at the KAIROS application and CIDA decided that in fact the KAIROS application did not meet the priorities of the government. This statement was made not only by the parliamentary secretary at the time, but also by the minister. That is the first foundation of the point of privilege.

The reason that is a point of privilege is because it is a direct contradiction of the facts and therefore represents a contempt of the House. It represents a contempt of the House because the distinct impression is left with the listener that the decision not to fund KAIROS was a decision made by CIDA, when it is crystal clear from the record, as my colleague from Scarborough—Guildwood has stated, and in fact the president of CIDA is on the record and stated again very emphatically at the committee last week, that the agency had recommended that the grant be given.

That point would be bad enough, and that in itself would constitute a question of privilege because the minister is in fact mischaracterizing how this decision was made and on what basis. There can be little doubt that this decision was a political one. We are not clear who made the political decision, and I will come back to that point in a moment, but it is very, very clear that it was a political decision that was made, over and above and against the very clear recommendation not only of the president of the agency, but of the entire agency, whose file can be carefully examined by the committee when the committee has an opportunity to consider the question of privilege.

That is only the first point and the first aspect.

The second aspect is a point that has to be clearly understood. Both the president of CIDA and the minister testified that their signatures are contained in the document, which was the

### *Privilege*

recommendation from the agency that the grant application of over \$7 million over four years for KAIROS be approved. The president of the agency testified that when she signed the document, the date upon which she signed the document, the document contained a recommendation that the application be granted and that the \$7 million be allocated to the KAIROS organization.

When we look at the record, at the document that was signed by the president of the agency, the document also contains the signature of the vice-president, Mr. Singh, and those signatures are dated September 25, 2009. Just below those two signatures is another signature, and that is the signature of the minister, dated November 17, 2009.

• (1520)

The reason this is important, that it is not a trivial matter at all, is that the document was altered after it was signed. It was certainly altered after it was signed by Margaret Biggs and by Mr. Singh. Of that there is no doubt because that is exactly the testimony that has been given by Margaret Biggs.

Margaret Biggs testified that at the time she signed the document, the document said, "Recommendation: that you sign below to indicate your approval of a contribution of \$7,098,758 over four years for the above program". The problem is that the word "not" is now contained in the copy of the document which is available to us, so that the document reads "that you sign below to indicate you not approve a contribution of \$7,098,758".

This document was altered after it was signed. There is no indication anywhere that anyone approved of the alteration. There is no indication as to whether or not the minister approved the document and then somebody put in "not" at the political level or in the Prime Minister's Office or somewhere else, or whether the minister herself put in "not". But the minister has denied that she put in "not". If the minister did not put in "not", which completely changes the meaning of the document, then who did? How is it that the document came to be altered in this particular way?

This is not a trivial matter. The parliamentary secretary to the minister of industry and international trade is making light of this question. I do not think the alteration of CIDA's document to change the thrust of a recommendation from the president of CIDA, and to make it look as if the president of CIDA and Mr. Singh in fact recommended that the grant not be given, is a trivial matter.

The evidence is very clear. The government was covering its tracks. The government was trying to make it look as if the agency had in fact agreed not to recommend approval for the grant when the opposite is clearly the case.

I do not think one can just simply turn away from this and say it is a political disagreement. It is not a political disagreement. It is about the rights and privileges of the House to receive accurate information from a minister when she is asked questions, and when she gives answers in the House that the answers she gives be truthful and a clear factual response to a question from a member.

*Government Orders*

When a minister or a parliamentary secretary says that he or she did not have the approval of the agency, that the agency had recommended and that the minister had reached an alternate decision, that should have been made clear at the time. I think the fact that it was not made clear amounts to a claim of privilege by the House, and that by its conduct the government has shown a degree of contempt for the House that is worthy of attention.

I would hope that you, Mr. Speaker, would allow the member to send this matter to a committee where we can get at the facts and understand how this came to happen and how a document of this nature came to be altered by someone for political purposes.

• (1525)

**The Speaker:** The document the member for Toronto Centre is referring to, I believe from the sound of it, is before the committee. I do not believe it is a document that is before the House at this time. Is that correct?

**An hon. member:** It is.

**The Speaker:** The document is before the House?

**Hon. Bob Rae:** It should be part of the record.

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, I rise on this same point of order. I made an intervention on this issue yesterday where I said that I would ask that you reserve your decision on this matter until the minister responsible had an adequate chance to respond.

Since we have had two further interventions today, given new information from members of the Bloc Québécois and the member for Toronto Centre, I would ask that you, Mr. Speaker, reserve your—

**Hon. Bob Rae:** She has had several days. She has been here. There is no new information.

**Mr. Tom Lukiwski:** The member opposite, Mr. Speaker, does not appear to be interested in the truth. He only appears to be interested in making some cheap political points by his heckles. That is quite apparent.

I would ask quite sincerely, Mr. Speaker, that you reserve your decision until the minister can make her response to this very serious allegation and we will be doing so in due course.

**Mr. Paul Dewar (Ottawa Centre, NDP):** Mr. Speaker, I want to note that yesterday the parliamentary secretary did acknowledge his comments in the House, and I appreciate that from him.

However, I think it is important for you to check the record as to what he said, because not only did he take responsibility for the words that he had said to the House, and that is to be lauded, but he also suggested that the comments that were made by him at the time he was representing the minister were also reflective of what he thought the government's position was, in other words, what his minister's position was. That was that they had taken into consideration what the department was saying and, therefore, came up with this erroneous position that in fact it was the department that had said no to the application. I think it is important to note that.

Again, I give credit to the parliamentary secretary at the time for acknowledging and taking responsibility for words that he stated in the House.

We are asking that the minister do the same.

At committee, I asked her to clarify her comments and essentially to straighten the record. She was not able to do that.

Finally, it is important to acknowledge as well other evidence that was brought forward which I was not aware of at the time when I was questioning the minister in front of committee. That is the information that you will now have from the order paper question that was submitted by one of my colleagues and I believe an access to information where it does say clearly that the minister's response was based on, and that is the application that was turned down for KAIROS' funding, the information given to her from the department.

You know the contradiction, Mr. Speaker. The record is clear.

You have this piece of evidence. You have the evidence of the member who was formerly the parliamentary secretary who suggests that the department's advice is what was taken into account for the decision. I believe that is very important. It is cogent. I believe you will find there is a need to look into this further.

I do not believe that the minister was clear at all, in fact was not able, when given an opportunity at committee, to straighten the record, and in fact made things a little more obtuse. That is why it is important that we look at this, to have some clean hands take a look at this. I think you will find there is enough here for it to be sent to committee to look at for privilege and contempt.

**The Speaker:** I am not going to hear more on this today. I think that is enough. We are going to be hearing more, as indicated by the parliamentary secretary, from the minister in due course and I think it is reasonable to wait for the minister to come back to the House.

We had an indication there would be submissions, yesterday, from the Bloc and that is why I heard the Bloc initially. We will hear more in due course. Now we are carrying on.

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## GOVERNMENT ORDERS

• (1530)

[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 third time and passed.

**The Speaker:** When the matter was last before the House, the hon. member for Bonavista—Gander—Grand Falls—Windsor had the floor, and there are seven minutes remaining in the time allotted for his remarks.

I therefore call upon the hon. member for Bonavista—Gander—Grand Falls—Windsor.



*Government Orders*

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** Mr. Speaker, I want to pick up where I left off and in the meantime one thing I wanted to bring to this debate, which I did not have a chance to do, is to note that even today we had the crown prosecution in Newfoundland and Labrador recommending a businessman involved in a 2006 spending scandal in Newfoundland and Labrador's legislature be given a three-year prison sentence and be ordered to repay \$450,000.

That was coming from the situation we had in the province where some elected members of the day as well as some administrative members had defrauded the House of Assembly of Newfoundland and Labrador, which in turn defrauded the population of the province of several sums of money well in excess of \$1 million. People were charged and brought to court for that and sentenced. Many of the sentences have been served, but nonetheless today we see one of the people involved in that case and the extent to which this can go to.

Picking up on Bill C-21 once more, I want to go through some of the notes that I discussed earlier talking about minimum sentences applying solely to a person convicted of the general offence of fraud, subsection 380(1). It does not seem to apply to other related offences and that is what I want to pick up on, that it is one of the reasons why we need to make this a much stronger piece of legislation. These are some of the loopholes that we brought up earlier as well, and I would like to touch on some of this such as fraudulent manipulation of stock markets, insider trading, fraud affecting publication.

In these three cases, however, where the value of the subject matter exceeds \$1 million, that would remain an aggravating circumstance and therein lies the strengthening that needs to come back to this piece of legislation. Nonetheless, when we talk about criminal offences to institutions, that was also brought up by one of my colleagues. The institutions exempt are the larger offenders. In this situation it becomes a milder offence for the few that are charged even though they do receive extensive charges.

Clause 3 of the bill adds four aggravating circumstances to the list. That would be the magnitude, complexity, duration or degree of planning of the fraud committed was significant. In the form of sentencing this is a very key aggravating factor. The offence had a significant impact on the victims given their personal circumstances including their age, health and financial situation.

The third aggravating factor: The offender did not comply with a licensing requirement or professional standard that is normally applicable to the activity or conduct that forms the subject matter of the offence. Finally, the fourth one contained within clause 3 is: The offender concealed or destroyed records relating to the fraud or to the disbursement of the proceeds of the fraud, which are prominent in many of the recent cases, which I will not go into because there are far too many to mention.

In addition to these specific aggravating circumstances, the general aggravating circumstances contemplated in paragraph 718.2 of the code will continue to apply. That includes the abuse of a position of trust or evidence that the offence was committed in association with a criminal organization. Moreover, the court shall cause to be stated in the record the aggravating and mitigating circumstances they took into account when determining the sentence. That is contained in 2.2 and that is the aggravating

circumstances one must consider when talking about sentencing, which I agree with in this case.

With respect to restitution order 2.4, under the existing provisions a judge passing sentence for any offence under the code may order the offender to make restitution to the victim for damage to property or for bodily or psychological harm. That is very important. The court must give priority to restitution before imposing a fine on the offender. A restitution order is discretionary however, meaning that the judge may decide not even to grant it.

The bill states, "the court shall inquire of the prosecutor if reasonable steps have been taken to provide the victims with an opportunity to indicate whether they are seeking restitution for their losses".

That is a new subsection within this legislation. In addition, "If the court decides not to make a restitution order, it shall give reasons for its decision and shall cause those reasons to be stated in the record".

● (1535)

In the few minutes I have left, I would like to talk about one of the issues that came up in this particular legislation, and in other pieces of legislation, which is the victim impact statements. I have always ascribed this to be a very important element when it comes to the sentencing of people convicted of crimes. In this particular bill, clause 4 talks about that.

The code currently provides for a victim impact statement to be filed at the sentencing stage. For the purpose of determining the sentence to be imposed for any offence under the code, the court is required to consider any victim impact statement describing the harm done to, or loss suffered by, the victim arising from the commission of the offence.

Each and every time these frauds take place, we see in the evening news, in all the newspapers, that the impact of this is absolutely immense. So much of this occurs. Thousands and thousands of cases are reported. I would say the vast majority in this House know people, family members, maybe their own parents and children, who were victims of fraud. It is excruciating to go through and it could last for quite some time for those people defrauded of their life savings, their nest eggs, hundreds of thousands of dollars. Of course, in this particular case, we focus on the \$1 million mark.

For the purpose of the code, "victim" means a person to whom harm was done or who suffered physical or emotional loss as a result of the commission of the offence. To me, that seems to be a very valid and important part of this legislation.

**Mr. Glenn Thibeault (Sudbury, NDP):** Madam Speaker, I would like to focus on what my colleague was speaking about in the last remnants of his presentation. He was talking about the victims.

*Government Orders*

The victims are the individuals who unfortunately seem to get overlooked. I do not think we see this bill going far enough. I can only refer to my own riding of Sudbury. Most of these victims are seniors who have invested their life savings. They have worked 30, 40 and sometimes even 50 years and put their savings and trust into these individuals who create Ponzi schemes. Unfortunately, when they come to retire they find out that the individual has taken their money, disappeared and has gone somewhere lush and lucrative. They never get the opportunity to live the life they wanted to in their golden retirement years.

While we are supportive of this bill, we would like to see this legislation go a little further to protect individuals and victims of these crimes. I would like to hear the hon. member talk a little more about how he would like to see this legislation protect victims of white collar crime.

**Mr. Scott Simms:** Madam Speaker, I will pick up on some of the comments that my colleague from Ontario brought up earlier on the cut-off of \$1 million.

What makes \$900,000 below the mark, not as important as \$1 million? That is a significant amount of money. As I said earlier, I know of people, who I will not bring up here for reasons of privacy, but they were seniors defrauded of close to \$100,000. It was absolutely devastating. The rest of the family now has to carry these people through the rest of their years. How embarrassing is that for someone who has been a victim of fraud? Those who are at the extreme low level of the pool of morality, if I could use that term, victimized these people.

Is it strong enough? No, it is not, and that is one of the issues, plus the fact that this needs to be publicized. We also need to put strong enforcement measures in place.

We talk about statistics all the time, but sometimes we have to put a face to this and look at ways to make changes, amendments, to further this legislation into the future. Down the road as the circumstances change, when it comes to the fraudulent behaviour of some people, the legislation has to be flexible and nimble enough to take care of this.

Talking about statistics, for example, 10,001 cases were found guilty in 2006-07. There were 88,286 incidents of fraud reported. That is a big number. Behind those numbers are families and individuals, absolutely devastated.

• (1540)

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, the member knows that all parties in Parliament are supporting this bill. It is at third reading and has been through committee. It is essentially a good bill, particularly with the addition of the restitution orders and community impact statements.

The fact of the matter is that the problem is much broader than what this bill addresses. The previous government set up the IMET program through the RCMP back in 2003, and after five years there had been a mere five convictions on white collar fraud. Meanwhile, in the United States under similar circumstances there are 1,200 convictions under its laws.

Clearly, we have to go beyond what this little piece of legislation is going to do for us and not give the Conservatives the satisfaction

of being able to campaign and say they solved the problem of white collar crime, because that is not being done with this piece of legislation. It is a good bill, but we need to do more than what this bill indicates.

I have a further question for the member if there is time.

**Mr. Scott Simms:** Madam Speaker, I would love to promise him that I will not be so verbose as to not provide him time at the end, but I cannot since I make a living speaking, though I will see what I can do.

The two points he brought up earlier are very valid. Restitution orders and community impact statements are certainly profound measures within the bill that go a step in the right direction. For the very reason that we are all in the House trying to support this legislation, I have the same concerns he does, definitely.

I looked at some of the evidence that was put forward through the IMET back in 2005 and, for example, in 2008-09 17 individuals were charged with 979 counts. A total of five individuals have been convicted, as he pointed out, since the IMET program was established. It is a valid point that he brings up because, again, let me repeat the numbers, a total of five individuals have been convicted since the IMET program.

I mentioned some of the statistics earlier. More than 10,000 people were charged, more than 80,000 were reported, 88,286 incidents of fraud in 2007 alone. Yes, there is a discrepancy that we need to address, and I hope that in the future we will be able to do that. For these reasons of restitution orders and community impact statements, we need to pass this legislation immediately, but we need the broader discussion to take place.

That is why in the future, community impact statements will be very important, because we have seen the absolute devastation, which fraudulent behaviour creates, played out on the news each and every night, especially with seniors, as my hon. colleague from Sudbury pointed out. The average age in my riding is the mid 50s. Do the people committing the frauds know this? Darned right that they know this and they take advantage of it every day.

It is hard enough to educate people on the fraudulent behaviour that is out there, but there are people like Earl Jones and Madoff conducting these Ponzi schemes. They are cleverly crafted, incredibly well thought out and they can fool the smartest of people, as evidence has shown in Ponzi situations especially.

The devastation is no less severe because someone considers him or herself to be smart in all areas of finance. Therefore, it falls upon us to become the protecting agent, especially of those who are most vulnerable. If the most shrewd in our society and those who are incredibly smart in the financial ways of the world are getting fooled, what does that say about the average seniors who know very little about financial securities, other than the fact that they balance their chequebooks? That is the only financial responsibility that a lot of seniors have participated in for the past 30 or 40 years.

This is where this legislation needs to be more proactive, and I agree with the broader aspect of what my colleague is saying.

*Government Orders*

• (1545)

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, Bill C-21, An Act to amend the Criminal Code (sentencing for fraud) is a bill we have seen before.

In fact it was with us in the last session of Parliament as Bill C-52. We went through some process on it, but as members are probably aware the House was prorogued. When prorogation occurs, all the bills die and have to start again unless the government chooses to reinstate them at the same position they were when prorogation took place.

As a consequence to that prorogation we have this bill. It is an interesting bill. It has an interesting short title, Standing up for Victims of White Collar Crime Act. If people heard that, they would have an image of what they think this bill might do, but in fact this particular bill does not deal with all white collar crimes. It deals with fraud over \$1 million, and whether or not there is going to be a mandatory minimum sentence. It is somewhat misnamed. I will comment more on the short title later.

When the bill came back in the current session, it took another 60 days before the government brought it forward for second reading. Second reading occurred on October 4 and 5. I had a look at the debate. It was the same bill and pretty well the same speeches as were given in the last session.

It then went to committee and it was another 60 days before the committee got around to it. That is an indication of another problem, and it is that the justice committee is a very busy committee. There are an awful lot of justice bills, which arguably could have been combined with other bills and put in an omnibus bill. There are going to be the same witnesses if we are dealing with the Criminal Code or sentencing provisions. Chances are it is going to be the same interveners, the same witnesses and the same government officials.

The government has this thought that possibly if it takes every little change that it wants to make to the Criminal Code and gives it its very own bill, and the number of bills gets up high, people will say "My goodness, look at all the wonderful criminal justice bills we have here. Are we not tough on crime?"

I think someone actually did a little analysis and found out that 15 of the bills could have been handled in 3 bills alone. It gives the idea that there might be something to look at here, and maybe not to be too quick to judge a bill as to its scope or the ambit that it covers because it is a mirage.

The committee finished on November 30, and now a couple of weeks later we have third reading. Now we are going through this. The first thing that happens is that the government gets up and says that all the parties are supporting it, so why do we not just forget debating; we will just vote and pass the bill. It says we are delaying it and we should not be delaying the bill.

If we look back at the prorogation, the recalibration of the government, it was kind of an interesting excuse for doing things. If the truth be known, if the government wanted to say the truth, it was on its heels and in great difficulty, and the only way it could get out of it was to shut this place down, let things cool down and have some thinking time so we could come back and have a better start. I do not

want to be too cynical about it, but the evidence sure does speak for itself.

The bill itself, as I indicated, has to do with sentencing for fraud. This is what this bill is about. It has a few elements, and they are included in the summary. It says that:

This enactment amends the Criminal Code to

(a) provide a mandatory minimum sentence of imprisonment for a term of two years for fraud with a value that exceeds one million dollars;

This is only relevant to fraud where the aggregate value exceeds \$1 million. Obviously that is not all white collar crime. There are certainly some big name cases.

• (1550)

Part (b) of the summary says that the bill would:

provide additional aggravating factors for sentencing;

Although there is a proposed mandatory minimum, the sentencing for fraud at this level is usually significantly more than two years. But the number of years, which I think could go up to 14 years, is actually the longest term of sentencing currently, second only to life imprisonment. This already has penalties as high as one can get. That is a ceiling. We are talking about a floor in this bill.

The next part says it would:

(c) create a discretionary prohibition order for offenders convicted of fraud to prevent them from having authority over the money or real property of others;

That makes some sense and there are some provisions here.

It also would:

(d) require consideration of restitution for victims of fraud; and

(e) clarify that the sentencing court may consider community impact statements from a community that has been harmed by the fraud.

In a number of cases, there are some very interesting people who are involved and they hurt a lot of people. The victims were in fact their friends and family.

When this bill went to committee, and this is a bill that the members of the justice committee are well familiar with, they reviewed it and the bill had to be reprinted as a consequence of their work. But the only change they made was to add the words "a victim seeks restitution and". Those are the words that are added to this bill that was originally tabled at second reading.

To put that in context, this has to do with restitution. The full section, subsection 380.3(5), will read in total now, in this amended bill from the committee:

If a victim seeks restitution and the court decides not to make a restitution order, it shall give reasons for its decision and shall cause those reasons to be stated in the record.

Earlier today I asked a question about this and it actually revealed something really interesting to me. I am not a member of the committee, but I followed the debate very closely.

This basically says that if a victim wants restitution and the court decides not to do a restitution order, the court has to give reasons. I asked, why should the court not give reasons in all cases of fraud as to why it is not ordering a restitution order?

*Government Orders*

It would make some sense to me that people have to know why the courts do what they do and why they have made certain decisions. It may mean that it is very clear that there are no assets, but the fact that a victim has decided for whatever reason that he or she is not going to seek it does not mean that he or she is not entitled to it and should not get it. In this particular case, it is simply a matter that if the court is going to decide that it is not going to make a restitution order, I thought in all cases it should give reasons for its decision.

I raise this because the chairman of the justice committee spoke earlier, and has asked a number of questions, basically encouraging people to stop talking and just vote and pass this bill because we are delaying it, after the Conservatives wasted over a year with all their shenanigans and here we are finally getting a chance to talk about this bill.

It was one of those moments when somebody says that there is a reason it is there. I had to find out and I went and asked somebody.

The parliamentary secretary did not indicate, but as it turns out, the reason this is here is that one of the intervenors was the Canadian Bar Association, which said we needed to put this in. Effectively what this does is relieve the courts from a requirement to do a restitution order and to write up the reasons for its decision if the victim seeks restitution.

• (1555)

Now we are talking about money. We are talking about the Canadian Bar Association saying this will bog down the system if all of a sudden the courts have to explain their decisions in cases where they said it would not affect the victim so they would just move forward.

It does raise the point, and I know a number of members have raised it in debate already, that we have cases where the Government of Canada, the federal government, passes legislation and then it gets promulgated, it becomes part of the law, part of the Criminal Code or other legislation, and then it is up to other jurisdictions to enforce the laws. We have cases now where even the smallest thing about saving some time for the courts, so they do not have to write up reasons for decisions on restitution orders, will save them money and it is worth doing and it is worth changing the bill to make sure that they can save a little bit of money. That pales in comparison to what is happening out there in the real world.

We have heard a lot about Ponzi schemes, basically pyramid schemes of a sort, and about Bernie Madoff. It is in the news every day and I do not have to say anything more there. Earl Jones is another one, where 150 clients were defrauded of some \$50 million; he was sentenced in February of this year to 11 years.

One person who has not been mentioned is a Canadian case, Tzvi Erez, who is a very renowned pianist. He got involved in a so-called Ponzi scheme and he defrauded 76 investors out of \$27 million. This is not insignificant and this is precisely what the bill is supposed to deal with, right? Wrong. The charges were dropped in this Ponzi scheme of \$27 million, the reason being that the police made the argument that either we want them to deal with the rape case or the homicide case or we want them to deal with the Ponzi case. We made the decision that it was more important for us to deal with a

rape or a homicide. It would take far too long. It was a very complicated scheme. It would take years to do and would be very costly. It would drain the courts and so many cases would not be dealt with. Does that not tell us something?

The Canadian Bar Association says it does not want the courts to have to give reasons for a decision, because it will save them a little bit of money. The police in Ontario and Attorney General Chris Bentley are basically saying they do not have the resources to deal with someone who defrauds Canadians of \$27 million.

How can we say that we are being tough on crime and those criminals when, within the system, in a case such as that, the magnitude of that, the charges will not be pursued?

I am not sure that the people who were defrauded are very happy about that. I am not sure of their personal economic circumstances, but obviously there are only 76 of them representing \$27 million, so they are significant investors. But we do not discriminate against people in their financial situation. People who are in good shape versus those who are living from paycheque to paycheque are covered by the law equally and things should be done, but the fact is that this was a matter of the courts in the provinces not having the resources to be able to enforce the law. How is that possible? How is it possible that we get to those situations?

We have now in the Criminal Code that fraud over \$5,000 is actually subject to a maximum term of 14 years. But in this case, Bill C-21, the only difference between that and dealing with it under existing law is that Bill C-21 provides for a mandatory minimum of two years. If that is the only difference and we have cases that are being thrown out because the provincial courts cannot enforce the law, how can government members say this is their bill, Bill C-21, and they are very proud of it?

The short title, which happens to be much longer than the actual title, is the "Standing up for Victims of White Collar Crime Act". It is not. In fact, it is a sentencing bill and it amends the sentencing.

• (1600)

It says that if it is over \$1 million in terms of aggregate value of which people were defrauded, a mandatory minimum may be applicable. But time after time, members of the justice committee got up and said that the penalties being given out in the courts now when those cases are heard are well over two years and that this mandatory minimum is really not going to achieve very much. So how can they boast that they are taking care of victims of white collar crime when this bill, with all the work and all the time and all the complaints about delay, in fact does very little and is going to affect very few cases? Even if there is not a mandatory minimum, using the court's discretion they can get up to 14 years anyway.

People should be a little disappointed that the government doth protest too much about delay of this bill, because any delay that has occurred in this bill has been the government's doing by various things such as prorogation and by stacking up bills, and I want to talk a bit about that.

*Government Orders*

As I said, someone did an analysis and found out that 15 justice bills could have been done in three omnibus bills, because bills that relate to the same sections of the Criminal Code or other justice matters can be combined, when they have the same or similar elements and we are going to be dealing with the same witnesses, the same intervenors and public interventions as well.

If that is the case and if the government really wants to show that it has the public interest at heart and that people who commit wrongdoings, who commit serious fraud, are going to be dealt with on a timely basis, it would say that will be shown when legislation actually passes. But we have not had very many of these bills even pass, because of all the delays and the lumpiness of the parliamentary calendar. We just seem to have these breaks, and now there are rumours of a spring election and maybe most of these bills are going to die. There will be another Parliament and these will be back again with the same slogan: "We are getting tough on crime".

They cannot be tough on crime if they cannot pass legislation that is going to be effective. They cannot be tough on crime if the provinces that are responsible for enforcing it do not have the resources to apply the law and they allow people to get away because they cannot lay those charges.

If one is not part of the solution, one must be part of the problem, and what I heard today from a number of members was that we need a strategy.

I thought one of them was fairly comprehensive. I am not going to repeat it, but one of the critical elements of a strategy is to have these kinds of cases dealt with by a joint task force such as the RCMP and other agencies that have experience and expertise in dealing with serious fraud and complicated schemes. To go through the regular process has been a problem and that is where the money goes, but if we have an efficient system of processing and we have this expertise built up, these laws can be enforced. But we need to work with the provinces and other jurisdictions that are involved, because there is no point in passing laws that will never be enforced or in fact never passed because a government is really only interested in recycling them for the same purpose of having a political slogan about being tough on crime.

It is not honest to tell Canadians that, and if Canadians would look at the transcript of the debate today, they would see significant examples and testimonials from members of Parliament that in fact the government has been using these bills for political purposes rather than for the best interest of Canadians.

• (1605)

**Mr. Glenn Thibeault (Sudbury, NDP):** Madam Speaker, the member talked about organizations like the RCMP that are doing a great job in tracking down these criminals and bringing them forward to the courts.

In Ontario, we have an excellent organization based out of North Bay called PhoneBusters done by the OPP. It has been an active organization in trying to protect our seniors from many of these things that relate to white collar crime.

One of the things that we want to see strengthened in this bill is the way that individuals who have been taken to the cleaners, so to

speak, by Ponzi schemes or these organizations that are phoning and taking advantage of these individuals, are compensated. We want to ensure that under section 738 or section 739 there is adequate compensation for victims.

We believe that when someone takes something from an individual there should be compensation. We believe that this part of the legislation should be strengthened. I would like the hon. member to comment on whether he agrees that we should see this part strengthened in the bill.

**Mr. Paul Szabo:** Madam Speaker, generally speaking, the law is based on the fact that if a crime is committed, the victim should be, to the greatest extent possible, put back in the position he or she would have been in had the crime not occurred. That is a principle of law that is there. Clearly, that is our wish as a society and our value statement.

The bill does include a restitution statement. It has a form here in which various things have to be described, for example, what victims were defrauded of, the amount of the loss, the evidence, et cetera. However, it is still up the court. If this was a lifestyle thing where somebody defrauded \$1 million from someone, spent it or gave it away and there was nothing to take back, then it becomes: How do we get something out of nothing? In the Madoff case, there was argument that victims could go to other family members who were beneficiaries of some of the largess.

What about the people at the top end of the Ponzi scheme who got in early, like in a pyramid scheme? They would have received usurious returns on their investments. They may not have received their capital back but they may have received even more than the value of the capital. Would they not in fact be accomplices in the Ponzi scheme knowing that they were getting usurious returns and should they not be held accountable for not reporting?

I understand another value of the law is that if we become aware of a criminal violation, we have a duty to report it to those who can figure out whether there was in fact a breach. That is not covered here either, not explicitly, but I would hope that in the courts it would be taken into account that there may be many accomplices to some of these frauds.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, the member just touched on an important difference between Canada and the United States.

There are several cases in the U.S. but I will talk about the case of the Southern Baptist Council where there were millions and millions of dollars involved in a Ponzi scheme there. What happened is that the early investors who received these enormous returns had to, at the end of the day, give all the money back. The result was that the investors overall were able to recoup, I think, 40¢ to 50¢ on the dollar. They were not entirely happy about that but at least they got something back. That happens and has happened many times in the States.

Fundamentally, it is all about regulations and the regulatory bodies. The regulatory body here in Canada has been asleep for years. I want to quote from an article from *Canadian Business Online* dated September 27, 2007. It reads, "Canada's losing war against white-collar crime".

*Government Orders*

The author was talking about the RCMP's launch of the integrated market enforcement team, which I talked about earlier, that was started under the previous government in 2003. It had only five convictions in five years and yet in the United States 1,200 convicts are in jail because of its laws.

He goes on to say:

Just ask people on Bay Street who they are afraid of. It's not the cops, it's not the OSC. It's the U.S. Securities and Exchange Commission because they have real teeth.

Is that not sweet? The Canadian Bay Street investment community is not afraid of the cops in Canada and not afraid of the Ontario Securities Commission but it is afraid of the United States Security and Exchange Commission which has real teeth.

Regulation is the problem. We keep appointing people to the regulatory bodies who golf and go to Christmas parties with the people they are supposed to be regulating.

• (1610)

**Mr. Paul Szabo:** Madam Speaker, that is very interesting. I do not have any information to add to that nor do I have a comment.

However, I would say that there are other circumstances that concern me about the bill and I will take the opportunity to give one now.

The bill would provide mandatory minimums of two years, not only for the person who perpetrated the fraud but for any accomplices. What would happen if there was an office where the Ponzi scheme was being operated out of and there happened to be an employee who was a single mom with three kids and somebody said that she knew or ought to have known that this was not legal and that she was being charged as well? There would be no restitution for that mom. This legislation would put that mom in jail for a minimum of two years and maybe more. I am not sure whether that has been taken care of.

When we put in a mandatory minimum and we deal with names of seniors and so on, we are talking about human beings where there may be exacerbating circumstances or mitigating circumstances. This legislation would not provide for that. It is unfortunate but most people who have spoken to the bill have basically said this is not a very substantive bill. It is tinkering with sentencing.

However, I hope the judicial system will have sufficient discretion to ensure that people who are somehow drawn into this, either coerced or otherwise, unwittingly do not have to suffer two year mandatory minimum sentences through no fault of their own. It is a dynamic and it is one of the reasons that I have some difficulty with mandatory minimums.

The courts have always had the discretion but the government does not trust the courts. As a consequence, it believes that the solution to all problems is mandatory minimums and fill up the jails with unreported criminals.

**Mr. Glenn Thibeault (Sudbury, NDP):** Madam Speaker, white collar crime is a serious issue, both in my riding of Sudbury and across Canada. It is a shame that the government has presented us with a weak bill to try and tackle this problem. We believe the government could have sat down with all three opposition parties

and brought forward world-leading legislation to deal with the real problems facing Canada.

That does not mean that I will not support the bill. I believe that this legislation is an improvement over the status quo, but it does not remove the need for a debate like this. The public needs to know that we understand the shortcomings of this bill and that there are parliamentarians who are saying that this is a start but that alone it is not enough. The government needs to know that even though we will support this legislation we expect more.

This bill is actually the reintroduction of a bill in the last session of Parliament that was killed when the government decided to prorogue last winter. At that time, the government knew that this bill had support from all parties. Then, when the House was finally allowed to resume, the government brought forward other bills, other crime bills, which could not get through the House, as this bill will.

Too often, white collar crime is portrayed as a victimless crime. This simply is not the case. I remember when the previous version of this bill was debated in the House, my colleague from St. John's East, in answer to a question I asked, told us of a case in his riding where a funeral director in his riding took the money people had given him for their funerals and used it to fund his own lavish lifestyle. Unfortunately, as shocking as that story is, it is not an isolated incident.

I have heard from far too many seniors in my riding who had invested their money with someone they thought could be trusted to manage their investment only to find out, once it was too late, that they had been scammed.

An unfortunate example of this occurred in my riding in Sudbury about 10 years ago from the Montpellier Group. Pierre Montpellier was fortunately found guilty after he was extradited from the U.K. However, there were many seniors and families whose lives had been turned upside down by the loss of hundreds of thousands of dollars and, in some cases, less than that. Although it was not the million dollars that we talked about earlier, it still had a huge impact on their lives.

White collar crime all too often targets those who have very little. Those investing large sums of money have the money and the time to protect their investments. However, those who have worked hard their whole life to save a modest amount for their retirement or to ensure they would not be a burden to their family once they passed away, simply do not have that luxury.

It is no wonder then that Canadians are worried about white collar crime. There are questions we need ask ourselves when we try to tackle white collar crime. First, will the legislation stop white collar crime from taking place either by providing safeguards for people when they invest or by deterring people from committing such crimes? Second, will the legislation help the victims of white collar crime?

*Government Orders*

In regard to prevention, we believe this bill is weak. The prime ticket that the government is pushing this bill on is the mandatory two year sentence for all criminals who commit white collar crime valued at over \$1 million. This plays well in the media but does it actually do anything to deter criminals?

The problem is that the government is happy to make this type of bold statement about mandatory sentencing because it knows that without extra funding and support for investigating and prosecuting white collar crime, this law will make very little difference.

My colleague from Windsor—Tecumseh pointed to a case earlier today, in a question for the Parliamentary Secretary to the Minister of Justice, of the investigation into a Ponzi scheme in Toronto where between \$23 million and \$27 million were stolen from almost 100 people and that three weeks ago the prosecutors withdrew all the charges.

The fact is that we can make all the changes in sentencing we would like but, with limited funds and time, prosecutors are always going to choose to pursue other types of criminals where the trials take less time and are far less complex.

• (1615)

More than that, this mandatory sentencing certainly will not deter the small-time criminal who steals \$2,000 from seniors. The fact is the consequences of that type of crime are as severe, if not more so, than someone who steals \$1 million from a \$1 billion corporation.

If the government contends that this mandatory sentence would deter criminals, which is a very wide-ranging conversation, and if we accept the government's position for argument sake, then why are we only deterring crime against the rich and big corporations? Regardless of whether this works, this type of provision sends a message that the government is more concerned about protecting their friends on Bay Street than hard-working families from this type of crime.

What should the bill have done in this regard? The best way to have created a deterrent to white collar crime would be to have made it easier to prosecute such crimes. The real threat of any jail time would have been far more likely to deter would-be criminals than the threat of longer jail times that many feel they will never serve if they do not plead guilty. For this to take place, we need to streamline the method of prosecuting white collar crimes and invest in resources like forensic accounting and extra training for judges on the specifics of presiding over cases of white collar crime.

White collar crime is not a spontaneous crime. It takes a lot of planning to carry out such illegal activities and the people who carry out these crimes are very aware of the possible penalties as well as the chances of avoiding them. Increasing the penalties to these people, while keeping the probability of them being enforced, does not deter people as much as we could by increasing the likelihood of persecution.

Let me tackle the second part of my own question. Does this bill provide help or support, either emotional or monetary, to the victims of white collar crime? There are two provisions at first glance which would appear to fit this criteria. The first is the provision for a community victim impact statement and the second is in regard to

monetary restitution to the victims of white collar crimes. However, neither of these provisions, in my opinion, go far enough.

Let us look first at the community victim impact statement. This is almost unheard of in criminal convictions. Previously only individuals, be they people or individual corporations, made victim statements. However, this provision allows a whole group of people to come together and have a single representative explain how they as a community have been affected by a crime.

Many individuals feel or can feel very daunted by the legal system. Having the ability to speak as a group should mitigate some of these concerns and therefore allow people to have means to address their emotional distress without causing more distress. I know from consultations with my constituents that many victims have asked for this type of provision before, so there are definitely many positives in this.

However, as this is the very first time that a provision like this has been used in the Canadian Criminal Code, I am disappointed that there are not more guidelines on how this would work.

In many ways, this is a judicial experiment, so we cannot say how this will work in the future, but there is no explanation of who can represent the community or if more than one community representative will be able to present to the court. All these questions are left to judges to work out for themselves. This could actually make it more difficult for judges presiding over already complicated cases, which is certainly not something anyone but the criminals would desire.

As I have already alluded to, lack of resources is already a problem in these cases and we do not want to add to the problem. There is also a question of cost for the victims in appointing representatives. Many people have lost their life savings, so we need to ensure this does not become a tool for only the rich to have their voices heard in criminal proceedings.

• (1620)

Second, with regard to restitution, the provision in this bill states that courts "shall consider making a restitution order under section 738 or 739". There is therefore nothing in the bill to compel offenders to compensate their victims. In fact, this provision does nothing new because judges already have the option to order restitution under these sections of the Criminal Code. These judges have been practising and studying the law for years. It seems bizarre to remind them that they are able to use sections 738 and 739 in this way.

What the government could have done, rather than referring back to existing methods of restitution, was to have used the bill to compel judges to seek restitution for the victims of white collar crime. These victims have been wronged and it is only right that the court seeks to address this loss. The way the provision is written now changes nothing for victims. It appears to be only in the bill for political reasons rather than good policy.

*Government Orders*

There are some good provisions in the bill with which I have no problem. For example, the proposed bill also allows judges to take aggravating factors into account when sentencing white collar crimes. Yes, most judges have already been able to determine when aggravating factors are important in a case, but by formally laying these out in the Criminal Code, we will remove any grey areas and formerly authorize judges to take those factors into account.

However, as I have laid out in this speech, many of the provisions in the bill are simply not strong as they should or could be. This is not to say that they are bad provisions, but when we bring forward legislation like this, we should strive to pass the best legislation we possibly can.

I hope we can pass this legislation and at least take the first small steps to deal with white collar crime. It is my real hope that the government will work with the opposition parties and bring forward new legislation in the near future that deals with the problems I have highlighted today.

• (1625)

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Madam Speaker, I appreciate the comments of my colleague from Sudbury and his support for the bill.

I want to touch upon the community impact statements and the restitution argument. In terms of community impact statements, the bill includes provisions to permit the court to receive a community impact statement that describes the losses suffered as the result of a fraud by a particular community, such as a neighbourhood, a senior centre or a club.

Perhaps the member could expand on what more detail he would want or perhaps his suggestion in terms of how the government would proceed in terms of specifically ensuring that these community impact statements are both received and acted upon.

In terms of restitution, which is the second point I want to raise, requiring judges to consider restitution from the offender in all cases of fraud involving an identified victim with ascertainable losses, judges would also be required to provide reasons if restitution is not ordered. I think this addresses the concern the member has raised. It allows judges some discretion, but then they have to provide reasons if restitution is not provided for.

Could the member comment on those two items and add more specificity to his critiques?

**Mr. Glenn Thibeault:** Madam Speaker, relating to the first piece with the community impact statements, we agree that this is a positive step in the legislation. However, we were asking for a little more criteria to be provided to the judges. If the judges are presiding over a case, that there is a little more instruction for them to have a better understanding as to whether they have a community group of people and whether they are allowing more than one person to speak on behalf of the community.

We understand that people are allowed to come forward and feel confident to address the court. Some people do not have that confidence. The community impact statement allows for that, but we would like to see more guidelines in place to provide the judge with the necessary criteria to explain those to the community impact statement.

When it comes to restitution, the point the member brings forward is something I would like to look further into before I can comment on it. He brought up a valid point and I would like to read a little more of it.

**Mr. Justin Trudeau (Papineau, Lib.):** Madam Speaker, it seems that every time the Conservative government tries to bring in a tough on crime bill, it jumps immediately to mandatory minimum sentences. The member made some strong comments about why mandatory minimum sentences would not be particularly effective in this case. I would like him to repeat them. It is important that we emphasize just how tough on crime, according to the government, is not really smart on crime.

**Mr. Glenn Thibeault:** Madam Speaker, my hon. colleague from Windsor—Tecumseh, our critic on justice issues, said this morning that mandatory minimum sentences in this case would be beneficial because of the \$1 million penalty.

For clarification, this morning we were talking about this in debate and we are in favour of mandatory minimums for this type of crime.

• (1630)

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, both in my speech and in the speech of the member for Windsor—Tecumseh we talked about the need for us to look at the U.S. practice, particularly as it applied to Ponzi schemes and in reference to the southern Baptist fellowship and the millions of dollars that it lost.

The American practice is to go after those initial investors, who made good money on a Ponzi scheme, and get them to return the money. In the case of the southern Baptists and another case that involved a northeast organization, they were only too happy to return the money once they realized they were involved in a scheme. They had no knowledge of a Ponzi scheme going on until it was broken. We are looking for best practices and where we see best practices, we should be supporting them.

The regulators are the problem. Canadian regulators are pretty much non-existent. When we get to the point where people on Bay Street are not afraid of the Canadian cops, are not afraid of the Ontario Securities Commission but are afraid of the United States Securities and Exchange Commission, it means the U.S. has a much tougher regulatory regime than we do. The U.S. is able to catch these schemes before they develop into disasters.

**Mr. Glenn Thibeault:** Madam Speaker, my colleague's intervention relates to a few things about which we have been talking.

Part of the legislation talks about mandatory minimum sentences if a crime is over \$1 million. What do we do about seniors who have lost \$100,000 of their life savings because of a Ponzi scheme? Does that crime not require severe punishment? Have their lives not been turned upside down?



When we talk about tougher legislation, we would like to see it become more difficult for people to take part in this kind of crime. When these criminals plot these cases, they do not think a senior will give them \$100,000 after a telephone call. They actually put a lot of thought into this.

Our police forces, including the RCMP and great organizations like OPP PhoneBusters, do great work. We need to ensure that when law enforcement officers catch criminals who are fleecing dollars from our seniors and investors, that resources are available to prosecute these people. We have to ensure people have the necessary training to preside over a case so these criminals can be put behind bars to serve their time.

Our colleague from Windsor—Tecumseh and my colleague from Mississauga South told us about a case where \$23 million to \$27 million was taken from approximately 100 people. The prosecutors had to drop the case. We need to start looking at where we can put those resources to better serve Canadians.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, members of the government have asked us why we were debating this bill. We are debating this so Canadians can understand that a bill is just not a bill into itself. It has to be read to be understood. Many more pieces have to be looked at to understand the thinking. There may be some deficiencies and we can look at them later.

One speaker recommended reorganizing the police to deal with these types of crime. In other words, banks would be required to report irregular transactions and we would start dealing with tax havens in regard to these types of schemes. There is so much more to do.

It is not in the bill, but there should be a provision dealing with some of these related criminal offences.

• (1635)

**Mr. Glenn Thibeault:** Madam Speaker, I agree. We need to be doing more to stop the tax havens. I mentioned some of the things in my speech. We need to ensure that this legislation would actually stop white collar crimes from happening. I do not think there is enough in here to deter the criminals who plot for weeks and months how they can fleece people for more dollars.

At the end of the day we need to look at who is being affected by white collar crime. It is average Canadians who work day in and day out and put a bit of money away for their golden years. We need to ensure they are the ones who actually have golden years, not some criminal lying on a beach somewhere living a life of luxury because he has millions in the bank.

I would like to see more teeth to this legislation. Members from all parties can work together to ensure that we are protecting Canadians.

*Government Orders*

## ROUTINE PROCEEDINGS

[English]

### COMMITTEES OF THE HOUSE

#### OFFICIAL LANGUAGES

**Hon. Gordon O'Connor (Minister of State and Chief Government Whip, CPC):** Madam Speaker, there have been discussions among all the parties and I think you will find agreement for the following travel motions. I move:

That, in relation to its study on the development of linguistic duality in Northern Canada, twelve members of the Standing Committee on Official Languages be authorized to travel to Whitehorse, Yukon and Yellowknife, Northwest Territories, in the Winter of 2011, that the Committee be authorized to permit the broadcasting of its proceedings and that the necessary staff accompany the Committee.

**The Acting Speaker (Ms. Denise Savoie):** Does the Chief Government Whip have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Denise Savoie):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

#### AGRICULTURE AND AGRI-FOOD

**Hon. Gordon O'Connor (Minister of State and Chief Government Whip, CPC):** Madam Speaker, I move:

That, in relation to its study on the Biotechnology Industry, eight members of the Standing Committee on Agriculture and Agri-Food be authorized to travel to Calgary, Alberta; Saskatoon, Saskatchewan; Guelph, Ontario; Quebec City, Quebec; Charlottetown, Prince Edward Island and Truro, Nova Scotia, in the Winter of 2011, that the Committee be authorized to permit the broadcasting of its proceedings and that the necessary staff accompany the Committee.

**The Acting Speaker (Ms. Denise Savoie):** Is there unanimous consent?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Denise Savoie):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

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## 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 third time and passed.

*Government Orders*

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Madam Speaker, it is with pleasure that I put a few words on the record with regard to Bill C-21.

I want to pick up on the point on which the previous speaker concluded his comments. He asked who is being affected when we pass this type of legislation. We need to put it into perspective for those individuals who are affected by Ponzi schemes or things of that nature.

Not that long ago we had an issue in Manitoba, and the member for Elmwood—Transcona would be very familiar with it, where a great number of Manitobans, 33,000 plus, invested in the Crocus share fund. I am not trying to say there were illegal activities, but I would suggest that more transparency through criminal laws such as this could save thousands, hundreds of thousands, and millions of dollars.

I want to reflect on the Crocus fund. Back in the 1990s the government of the day wanted to see more investment coming into the province, so it created this fund and promoted it among individuals living in the province of Manitoba. There were tax breaks and so forth. It went off quite well. When it kicked off, there were hundreds of millions of dollars of investment. There was a great level of interest from average Manitobans. It went along reasonably well until 2000 and 2001. At that point in time, we are not sure exactly what took place. There seemed to be a great deal of secrecy. Where was some of this money being spent? There were a great deal of questions. It became a fairly controversial issue by 2003-04 to the degree that the fund was actually frozen.

I raise this issue because of the number of people it affected. Hundreds of millions of dollars were lost. Over 33,000 Manitobans, many of whom invested retirement funds into that fund, suffered literally thousands and thousands of dollars in losses on an individual basis. I had the opportunity to meet with many of the individuals and heard about the problems those losses incurred. They had believed in good faith that what they were doing was for the right reason.

Indirectly the government was supporting this fund. It was helping in terms of creating jobs. Investment funds at the best of times can be a challenge in some jurisdictions. They felt they were doing the right thing. The problem was there was a need for more transparency.

To what degree legislation of this nature could have had an impact, I am not too sure. I do not really understand the finer details of it, but what I do know is at the end of the day we are talking about trying to protect average Canadians who want to use investments as a way to ensure they will have a better retirement, as one of the possible venues in terms of getting money out.

Whether it is an investment fund like Crocus or these Ponzi schemes, I find it very difficult to understand how some individuals could try to con or fleece, or whatever word one might want to use, money from people. They exploit individuals, many of whom are seniors who have accrued money over the years in order to have a relatively decent lifestyle in their retirement. It is hard to comprehend how some individuals think they have the right to take actions of this nature.

• (1640)

It is one of the reasons it is important that we have legislation such as this to look at ways in which we can minimize the amount of white collar crime. One member mentioned the goal was to eliminate it. I do not believe we will ever be able to eliminate white collar crime but there are things we can do to make a difference.

A member mentioned that we should strive to have the best possible legislation. It interested me because it came from a member of the New Democratic Party. I was not in the committee at the time, but I believe the Liberal Party proposed an amendment which would have made this legislation that much better in terms of its strength. My understanding is it would have added into the legislation market manipulation of stock prices, shares, merchandise or anything that is offered for sale to the public. This would have made the legislation that much better. I do not understand why the government did not see the merit of that amendment.

Quite often governments want it to look as if they are the ones who are taking the action and do not want to act on good ideas that come from the opposition benches. I do not necessarily agree with that, but I can understand why there may be some resistance on the part of governments. They do not want to develop good ideas if they come from the opposition benches. It is unfortunate, but it is the reality.

I am told that the Bloc and the New Democratic Party did not see the merit and did not want to support the Liberal Party's amendment. That surprised me. I do not understand why those parties would oppose something of this nature. Had that amendment passed, it would be here today and the bill would be that much stronger in protecting the interests of victims. It is very important.

I have had the opportunity to have discussions with constituents who have experienced first-hand the loss of considerable sums of money because they had a certain element of faith and confidence in what they were being told. I have had that opportunity on many occasions. People do not take pride in the fact that they made a mistake and as a result lost thousands of dollars. People do not come forward to admit it when issues of this nature occur, but it does happen.

The individuals who have touched me the most in regard to schemes of this nature are those who are on a fixed income, those who had confidence in a system they thought would be there ultimately to protect their interests. At times the system does fail, unfortunately. We need to look at ways in which we can protect those interests. When I talk to seniors I often find that a disproportionate amount of their savings go toward different schemes that come up and are ultimately sold to them. They come in many different forms. It is easy to say that consumers should beware and they should read the fine print and so forth. I appreciate that. When people talk to me about the potential of investments, I am very careful in terms of what I say.

*Government Orders*

●(1645)

I am not, have never been and will never be a financial adviser but I am able to balance my personal chequebook. However, I will leave it at that and leave it with the professionals. However, I do caution people to be very careful, especially if they are on fixed incomes and going into their retirement years because, the end of the day, we need to do what we can in terms of protecting the funds of those who are on fixed incomes and are not in a position to get involved.

It is very difficult when something is sold to them in such a fashion that it gives the impression it is a no-lose situation, that they cannot go wrong by investing  $x$  number of dollars, and they are being sold this by someone who is a fairly smooth talker or coming in from an agency of different sorts. I can appreciate why many of the victims make some of those bad decisions.

What does Bill C-21 actually do? The most significant thing is that it does is it makes mandatory minimum sentences for those who are found guilty of defrauding the system in excess of \$1 million. I for one see the value in terms of that. I believe it can be a meaningful way to ensure there is a detriment to committing a crime of this nature. I know that minimum sentences have been somewhat of a controversial issue. It is controversial because of the issue of judicial independence. A lot of the judicial system and the stakeholders affiliated with that love to leave the discretion with our courts. I can appreciate that and I understand why they would say that.

From my perspective and with the dialogue and consultations that I have had with my constituents, I have found that in certain situations there is room for mandatory minimum sentences. In looking at Bill C-21, I believe that is a reasonable component to have in this situation. Hopefully it will be effective in terms discouraging some from entering into this whole area. We will need to wait to see what happens but I do believe there is some value to it.

The bill would also require consideration for restitution for victims. As has been pointed out quite often, all it takes is making some individuals, some of the different stakeholders or individual companies that might have been a recipient of some of the funds, aware that it is a crime to manipulate, extort or get money out of the hands of seniors and others. Quite often, a responsible business or a corporation will make resources available to minimize the impact on victims.

Requiring our courts or our legal system to look at where it is possible for restitution is a positive thing. We have had experience, and going into the future I suspect I will make reference to some of my involvement with youth justice committees, as I already have, that restitution can be an effective tool in all aspects of law. I suspect that it is one of the ways in which we can ensure that the victims themselves are receiving something in return for what they have had to endure.

●(1650)

However, if there are ways in which we can somehow compensate victims through restitution, we need to move in that direction. I would have thought that would have already been in place, and I suspect that it was to a certain degree, but this is a bit better definition to ensure that it occurs. This will make a difference.

The bill would also allow courts to consider the possibility of community impact statements or would encourage the legal system to take them into consideration. I have always been a very strong advocate for restorative justice and this goes even one step further. I believe restorative justice is the most effective way to get victims to the table with the perpetrators to ultimately come up with a resolution that brings all parties a higher sense of justice. Restorative justice would be very difficult to achieve in this situation, but at the very least requiring, where possible, that there be community impact statements is a positive thing and it is something we should be moving toward.

In going through the bill, I noticed that the government did not really address the need for enforcement. We can bring in whatever type of legislation we want but if we are not prepared to enforce it and provide the resources necessary in order to monitor and discourage, it will not be as effective.

If we want to minimize white collar crime, we need to have a stronger presence in that whole area. I am not convinced, given the very nature of this particular crime, that the government has been overwhelmingly supportive of allocating additional resources to combat white collar crime. We can talk about getting tough on white collar crime by passing legislation of this nature, but until we are prepared to acknowledge the need to adequately resource our police services, as an example, we will not achieve what is expected, which is that the government is serious about dealing with white collar crime.

It reminds me of a commitment that was raised during the byelection where the Conservatives had made a commitment to hire additional police officers. I believe it was in excess of 2,000. The additional staff could have been allocated to commercial or white collar crime. If I had a choice, I would suggest that if we have adequate resources at the grassroots level to ensure accountability with legislation or the laws currently in place, that could be just as effective as this particular bill.

I would also suggest that the bill itself will no doubt draw some media attention. The government can issue its press release saying that it is getting tough on white collar crime and will have the legislation it has passed. In fairness, the caveat is that the Liberal Party tried to make it a better bill but the government chose not to support it. In any event, the government can issue its press release making it very clear that it brought in legislation.

However, if the government is not prepared to put in the resources that are necessary to make this bill work, then I would suggest—

●(1655)

**The Acting Speaker (Ms. Denise Savoie):** Order, please. I am afraid the hon. member's time has elapsed.

Questions and comments. The hon. member for Algoma—Manitoulin—Kapusksing.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP):** Madam Speaker, I am glad I was here to hear my newly elected colleague's comments on this bill. I congratulate him on his election.

*Government Orders*

It is right for Liberals to be standing up on this because if anybody knows about white collar crime, it would be them. We certainly support tougher rules to protect investors, pensioners and business owners from corporate fraud.

Let us just look at the Liberals' take on this when we look at the history: Senator Raymond Lavigne alleged use of Senate resources for personal gain; Benoît Corbeil sentenced in December 2009 to 15 months in jail for his role in producing fake invoices while he served as the director of the Liberal Party of Canada's Quebec office; Gilles André Gosselin, former head of Liberal-friendly ad firm, pled guilty to charges of fraud and forgery totalling \$655,276 in the Liberal sponsorship scandal; Jean Brault, the former head of the Liberal-friendly ad firm, plead guilty to five charges of fraud connected to his involvement in the Liberal sponsorship scandal; and Suzan Pawlak, the former treasurer of the federal Liberal riding association in Elgin—Middlesex—London, sentenced to 12 months of house arrest for committing fraud that a high level party official tried to cover up.

When we see that, I can see why the Liberals are such experts on this. With respect to that, maybe the member would like to comment a little bit more about some of the weaknesses in this bill.

**Mr. Kevin Lamoureux:** Madam Speaker, I see that hypocrisy within the New Democrats is not just limited to Manitoba.

If we want to look at the people who shafted seniors of their pensions and investment funds, I only need to refer to Gary Doer and the New Democrats in the province of Manitoba who did not stand up for the 33,000 Manitobans who lost \$100 million-plus.

If we want to revisit history, let us talk about recent history. It was the New Democratic Party inside this chamber, just recently, that voted against the Liberal Party amendment that would have given more strength to the very bill that we are talking about today. It would have included the market manipulation of stock prices. It was that member and her party who actually voted against it and did not allow it to be a part of this legislation.

We can talk about the New Democrats and the Liberals but the Liberals are far ahead in terms of much higher moral standards and in protecting the seniors in our country, much more so than the New Democrats, especially when they were in power in the province of Manitoba. I can guarantee that much.

• (1700)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am very impressed with our new colleague from Winnipeg North. He brings a lot of experience and knowledge, even on this bill.

I want to give the member an opportunity to maybe elaborate a little bit more on some of the initiatives that maybe the provinces have done already. In fact, some have said that the provinces have leapfrogged the federal government in terms of these matters of restitution, et cetera, through the property and civil rights laws under the seizure and forfeiture principles, which may be helpful.

The other point I want the member to comment on is with regard to the deterrence principle. I think it is important for the justice system to have a balance between punishment, rehabilitation and reintegration, as well as prevention.

It seems that the deterrence factor of a minimum of two years would not be a deterrence to people who know that if they get caught for a crime of over \$1 million, they will go to jail for probably 10 to 14 years, which is the maximum for fraud over \$5,000. I doubt very much that people being assured that they will go to jail for at least two years will scare them off when they know they will probably go to jail for 10 years.

In this case, I am not sure that mandatory minimums are an effective deterrent. In fact, the whole bill is all about mandatory minimums.

**Mr. Kevin Lamoureux:** Mr. Speaker, I appreciate the comments and the question from my colleague. He is quite right in his assessment that provinces have moved toward a lot of civil rights law where organizations can be taken to court as a way in which to recover moneys that have been acquired through crimes within communities.

The federal government has really fallen behind in trying to get that form of restitution, especially where there has been gang activity. I think we will find that there are pockets of increased gang activity across Canada. The federal government has really not done very much in terms of being able to equip, or better equip, the provinces to recover merchandise or dollars. We are talking about millions and millions of dollars in regard to things acquired in an illegal fashion.

We should look at what some of the provinces have done. It is something on which the federal government should spend a bit more time. There is so much out there that we can really make a difference in terms of restitution. All it takes is an open mind and a willing government to really make a difference.

As we get to debate more legislation, I look forward to add more on some of the initiatives, both private and public, particularly in the province of Manitoba. I would love the opportunity to share that with the House.

• (1705)

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskaing, NDP):** Mr. Speaker, I listened to the member's speech and I want to bring a couple of things to his attention.

We are not against the fact that there is a mandatory minimum on this bill, but we know the government has tried to put mandatory minimums on a lot of bills. I guess that is basically to fill the prisons that it wants to build because there has been a 43% increase in the budget: \$230 million in 2009-10 and \$329 million in 2010-11. This has been approved by the Liberals.

Paula Mallea, one of my constituents, wrote me and said, "Aside from my personal feelings as a long-time criminal defence lawyer, I have marshalled a lot of facts that contradict the efficacy of the Conservative agenda. I have tried to point out that the agenda will increase crime while vastly increasing the deficit". Her concern is that, with all these mandatory minimums, we have to be mindful of how much of the cost would be borne by the provinces.

Perhaps my colleague would like to mention the impact on the provinces.

*Government Orders*

I also want to clarify something. We talk about community impact statements because the bill proposes this. In looking at a crime of this magnitude, whether this is in there or not, a judge will usually order a pre-sentence report and the impact statements from the victims will be taken. I do not know if the member wants to comment on that part of it.

**Mr. Kevin Lamoureux:** Mr. Speaker, I used to be the justice critic in the province of Manitoba. I had the opportunity to tour our jail facilities. There is no doubt about the fact that there currently is a capacity issue. I anticipate that the more we get into mandatory minimum sentences, it will be an issue in which the federal government will have to sit down with the provinces and tell them to what degree it is prepared to get involved.

Minimum sentences are not necessarily the answer. People really want to see less crime on the street. For the last number of years, the government has talked a great deal about being tough on crime, but at the end of the day, it really has not been effective, even with all the discussion about minimum sentences.

We need only to walk in the streets of Winnipeg north and ask people if crime is any better today than it was five years ago. We might find that 2% or 3% of people will say it is better, if that. I think people want to see results.

The government seems to be more content in delivering a message of tough on crime, but it is not necessarily delivering a message for resolving the crime issue, and I am more interested in doing that.

I look forward to being able to add comments as to how I believe we will ultimately be able to move in the direction of resolving the crime problem.

\* \* \*

**MESSAGE FROM THE SENATE**

**The Deputy Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bill to which the concurrence of the House is desired: Bill S-12, A third Act to harmonize federal law with the civil law of Quebec and to amend certain Acts in order to ensure that each language version takes into account the common law and the civil law.

\* \* \*

**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 third time and passed.

**Mr. Robert Oliphant (Don Valley West, Lib.):** Mr. Speaker, it is a privilege and always a pleasure to speak to any bill that come before Parliament, particularly this bill, which has been a long time in the period of gestation. It began as Bill C-52. One would have hoped it would have had time to morph into a bill that was somewhat more acceptable, but Bill C-21 is still very much the same bill that was brought to us some time ago.

There has been criticism that the opposition parties have delayed the passing of the bill, but, as we all know, it was the government's

own action of having introduced the bill and then, last December 30, taking the tremendous liberty of proroguing the House and causing all the legislation that had previously introduced to simply fall off the order paper. The government brought back a new bill. Even though it had supposedly been recalibrated during that time, the bill was virtually identical to the bill it had originally presented.

As part of its overall supposed tough on crime agenda, the government has attempted to tackle this crime but with only a very limited effectiveness.

As most members know, we will support the bill, but it is with some difficulty that we take those steps. We know the bill, while it will probably not cause a great deal of damage, as many of the government's other bills do, it will not be effective in tackling the problem it purports to tackle.

This problem we are talking about is not simply an issue. It is about real people who have trusted their life savings and their very lives into the hands of people who have abused that trust. These people have taken their money and have invested it in schemes that have been fraudulent in nature. This has often resulted in them being left in the care of their families, or friends or on public welfare rolls. This is a serious problem that requires serious attention, not simply window dressing.

Bill C-21 will probably cause no more harm than is already in the system, but it will not be effective. It will not reduce the incidence of this type of crime. Nor will it provide more resources to the prosecution of this kind of crime. Unless we stop the crime before it happens or, failing that, prosecute those who are criminally involved in fraudulent activities, it does not matter whether we have mandatory minimums or various other aspects of this that the bill purports to add to our Criminal Code. It will not help the people who the government says it will help.

The government is fond of saying that it has a bias toward victims and is against the criminals. Everyone in the House has a bias against those who commit crimes and a bias for those who are victims of crime. Whether those a crimes against their person, against their property or against their life savings, every member of the House cares about it. As the government presents its so-called tough on crime agenda, no one can take seriously any longer that it is truly trying to address crime.

This summer I had the opportunity of doing a fair amount of canvassing through the different neighbourhoods of my riding of Don Valley West. About this time, the President of the Treasury Board announced that the government was planning to spend \$9 billion on new jails. He baffled most of us who care about reducing crime when he referred to a dated survey about so-called unreported crime. While all statistics continue to point to a slow but steady reduction in crime rates in the country, the President of the Treasury Board pointed to this survey to justify building more and bigger jails.

This is the obvious question. In the event of an unreported crime who exactly will go to jail? If that cannot be answered, then his rhetoric is another example of ideology over reason, fiction over fact and policy based evidence rather than evidence based policy.

*Government Orders*

It is certain that Canadians care about all kinds of crime, including white-collar crime. While canvassing in Leaside, York Mills and Don Mills, a number of residents raised issues of vandalism, property crime, auto theft, personal violence and fraudulent white-collar crime as well.

Flemingdon Park residents expressed concerns about separate violent incidents that left people feeling personally threatened. Residents in Thorncliffe Park noted an increase in graffiti and vandalism in the community garden. Northlea residents expressed concerns about traffic safety and the high accident rate.

● (1710)

However, statistics show that crime prevention strategies and especially community policing, good education, programs that strengthen family life and a stronger social safety net do more to stop crime, all sorts of crime, than the building of megajails or than bills that have cute, trendy titles as though the government is actually doing something serious about crime.

One Don Valley West resident was eloquent when he said to me, “A bigger prison won't stop my car from being stolen and the higher insurance rates that come along with that. We have to find ways to stop the crime before it's even contemplated”. This means taking a look at the whole of the fabric of our social safety net, about the fabric of society, about the way we fund education and health care, the way we deal with people who are poor, or people who have committed one crime and how we help them get back into society to make meaningful lives and contribute to our communities.

Ironically the work that was called upon by the President of the Treasury Board was done by Statistics Canada just as the government was planning changes to the census, which has been decried by experts around the world. To govern this complex, constantly changing country, more information about crime, not less, is essential. Reason and intelligence should never be replaced by fear and ignorance when it comes to any sort of policy making.

Equally essential, when dealing with crime, is listening to the experts. The government is loathe to bring in experts to talk about what it is we need to do to fight all kinds of crime, including white-collar crime. The government does not want to listen to the chiefs of police across the country when it comes to talking about a long gun registry. I do not know who Conservatives consulted when they came up with this bill, but I know that when I talk to police officers and regulators who deal with these kinds of crimes, they tell me they do not have the resources to have effective, constant prosecution of the kinds of crime.

It does not matter whether minimum mandatory sentences are instituted if we do not prosecute the criminals. If we do not have the resources to go out and get the bad guys, then we cannot impose mandatory minimum sentences. It is like building megaprisons for unreported crime. These crimes may in fact be reported, but they are not prosecuted. Whether it is unreported crime or unprosecuted crime, the government is not taking crime seriously. It is window dressing, it is slogan making and it is simple electioneering, which constantly goes on.

When it gets to actually dealing with crime, I think what Canadians want is a smart, strong response from our government,

from our police forces and from the judiciary. This year I was part of a party that supported many of the projects of law that the government offered us because parts of our system had grown lax. However, the overwhelming mandate of our judicial and corrections systems still must be the rehabilitation and reintegration into community of those who have committed crimes. We are not going to change crime rates in our country and further reduce them without a sense of stopping the crimes before they happen. If they have happened, we rehabilitate the criminals so they do not offend again. This is common sense. This is about making a stronger society. This is about actually doing something positive and about making our world a better place.

As a member last year of the Standing Committee on Public Safety and National Security, I toured federal prisons across the country. I was appalled at the poor mental health capacity at all facilities, the lack of programming for inmates and the fact that more inmates left with drug and alcohol addictions than came in with them. Think about the fact that when people enter jails, they are healthier than when they get out. When they enter jails, they come with certain problems, but they are exacerbated by their life in prison. The mental health capacity, the alcohol and drug treatment capacity is simply too limited to actual criminals who will, even if we have mandatory minimum sentences, get out of jail one day. They will be back on the streets in our communities. If we do not take the time to help them, they will be in trouble.

● (1715)

We have a government that talks about a thicker border with the United States. The government cannot keep drugs and alcohol out of our jails, out of maximum security prisons with thick walls already, yet we expect it to actually stop the drug trade from coming across the border from the United States.

The reality is that we have problems in our prisons, we have problems in our communities, and this kind of law-making does not further our goal of making a better Canada, better families and better communities. It takes a reasoned approach. It actually looks at evidence and bases policy in real facts and real evidence and has a sense that we work with human nature and we actually believe that we can be a better human race.

We obviously have to have incentives in those systems. We actually have to have a way to make our world a better place, and I think we tried to do some of that in committee as a party when we were offering some amendments to this bill.

*Government Orders*

Building superjails for unconvicted criminals of unreported crimes, adding mandatory minimums without providing resources for prosecution, attempting to solve a problem that is complex and involves several levels of government with a simple bill with a cute title is not good governance. We need to support stopping crime at a community level, in our school systems, with a sense that what we are doing is about making a better society.

Smart on crime is truly tough on crime, and this bill is simply not smart enough on crime. Yes, we will be supporting it. Yes, we will add our vote to it to get it off the table so that we can actually get on to some more important work, but the government needs to hear the lack of enthusiasm we have in this. It needs to hear that we think it could have been a better bill.

We think a mandatory minimum without truly a system of restitution is actually going to be a problem. We have to find better ways of saying to the elderly or to the young in our society who lose their life savings to a fraudster that we are going to find a way, through a banking system that is more effective, through checks and balances all through our regulatory bodies, to get some of that money back.

If there is a fraud that is \$27 million in nature and there are several hundred people who have actually lost their savings in that scheme, that money, I am quite convinced, did not disappear. We have to figure out where that money is. If that money has gone into the international banking system, we have to find a way to build a system that Canada is part of, that can actually take this issue seriously and find where that money has gone, so that it can go back to the people who were originally the losers in the fraud scheme.

That, of course, would take an international stature. That would actually take a prime minister and a minister of finance who knew their way around the international tables of this country, of this world. We would have to have the kind of status and stature in the world where the other nations at the United Nations would give us a seat on the Security Council, where they would respect us because of our standing on climate change, on border security, on our role in peacekeeping missions around the world, or on our diplomatic ability to actually solve the problems that need to be solved.

It is that kind of government that can actually effect a change, find the money and get it back to Canadians who need to have true restitution of what they lost. They need to have a recovery.

What this bill lacks is a true sense of where the victim is. If the crime is of a personal nature or a physical nature, or if someone has been killed or hurt, it is impossible to restore that person to where he was or she was before the crime happened. This is not an impossibility. This bill, frankly, is only about money, which is not hard to restore to the person who has lost it. The government needs to know where it is, though, and it needs to find ways to do it.

What is lacking in this is not only the international scope but even within the federalism of Canada. What this bill also requires to be effective is a system where Canada works more effectively with the provinces to understand where the jurisdictional interplay is in the various regulatory systems that affect Canada.

• (1720)

Obviously, if I am in a regulated profession that is part of a provincial jurisdiction and I am going to be disciplined, the federal government needs to find a way to co-operate with the provinces and territories. That means sitting around a table with them.

When is the last time there was a first ministers' conference? When is the last time we had the premiers and the Prime Minister of this country gather together and deal with some of these important issues: financial issues, economic issues, building a country, safety issues, public security issues and how it is that we gather together our federal resources with a federal vision, which my party believes in if there is a place for the federal government to be involved in the aspects that we are given responsibility for, and to work with provinces and territories in the areas where they are given responsibility?

This takes a certain style of government that is co-operative, that likes to listen, that likes to add value and knows that others will add value at the same time. That is what is sadly lacking in this bill.

Liberals proposed several amendments to this bill that I think we need to be sure are on the record, that we were not able to accomplish. We wanted to strengthen the bill. We may be the official opposition, but we are also a party of constructive criticism. We will take a bill and try to strengthen it, try to make it better, try to actually help it accomplish what it was supposed to accomplish.

The Liberal justice critic introduced an amendment at committee that would add market manipulation of stock prices, shares, merchandise or anything else that is offered for sale to the public, through the definition of what could be punished by the mandatory minimum sentence. The amendment failed at committee, with the Conservatives, the Bloc and the NDP all voting against it. It would have expanded the scope of this legislation to make it possible to go into other areas of economic activity that absolutely needed to be considered.

The Liberal justice critic also recommended that an amendment be introduced to modify the Corrections and Conditional Release Act in order to eliminate the one-sixth accelerated parole review rule for white collar criminals. This amendment was ruled out of order by the chair and that was subsequently upheld on a challenge, due to support from the Bloc Québécois.

One would have to ask why. The reality is that Liberals were attempting to make an important amendment that we felt was within the broad scope of this bill, that was not out of character with it and could actually make it more effective. Unfortunately, the Bloc Québécois did not support that.

*Government Orders*

Yes, indeed, a technical amendment by the Liberal Party was adopted. This amendment, supported by the opposition parties, requires that the court would issue an explanation of a restitution order only when a victim seeks restitution and the court decides not to make such an order. This amendment addresses concerns that were raised by the Canadian Bar Association to relieve some pressures on an already taxed criminal justice system.

Liberals want to find a way to make legislation work. Legislation needs to be more than advertisements. It needs to be more than signs that are placed in front of projects as though the government is actually doing something. We will come back to this legislation when we are in power. We will have an omnibus return-to-sanity bill that will look at the kinds of things that were done. We are going to try to find a way to fix the things that were inappropriate and take the things that we hope would be effective but will probably be proven to have not made the kinds of differences that the government promised.

We will come back to these issues. It was the last Liberal government that brought in the first changes to make sure that white collar crime was taken seriously. We are a party that cares about crime. We are a party that actually wants to reduce crime. We are a party that wants to rehabilitate criminals. We are a party that is aware that no matter how long people are sentenced for, they will one day get out, and if they get out in worse condition than when they went in, our streets, homes, villages and cities are not safer. They are simply not better.

The government needs to know that no matter how long people are locked up for, one day they will be once again living in our neighbourhoods and once again committing crimes if they have not had the kind of care, treatment and effective programming that will help them rehabilitate themselves. We in the Liberal Party actually believe in humans and the human ability to restore ourselves, to make our communities better, and that we can move from poor behaviour to better behaviour.

• (1725)

We actually think there is a chance for redemption, if I can use that word at this season, for individuals. There is possibly even redemption for political parties, and we would pray for that as well.

**The Deputy Speaker:** The hon. member will have a 10-minute period for questions and comments the next time the bill is before the House.

\* \* \*

**SERIOUS TIME FOR THE MOST SERIOUS CRIME ACT**

The House resumed from December 13 consideration of Bill S-6, An Act to amend the Criminal Code and another Act, as reported (with amendments) from the committee; and of the motions in Group No. 1.

**The Deputy Speaker:** It being 5:30 p.m., the House will proceed to the taking of the deferred recorded divisions on the motions at report stage of Bill S-6.

Call in the members.

*And the bells having rung:*

• (1800)

**The Deputy Speaker:** The question is on Motion No. 1.

• (1810)

(The House divided on Motion No. 1, which was negated on the following division:)

(Division No. 147)

**YEAS**

## Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	Armstrong
Arthur	Ashfield
Baird	Benoit
Bernier	Bezan
Blackburn	Blaney
Block	Boucher
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Cadman
Calandra	Calkins
Cannan (Kelowna—Lake Country)	Kannon (Pontiac)
Carrie	Casson
Chong	Clarke
Clement	Cummins
Day	Dechert
Del Mastro	Devolin
Dreeshen	Dykstra
Fast	Finley
Flaherty	Fletcher
Galipeau	Gallant
Généreux	Glover
Goldring	Goodyear
Gourde	Grewal
Harper	Harris (Cariboo—Prince George)
Hawn	Hiebert
Hoback	Hoepfner
Holder	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kennedy (Calgary Southeast)	Kent
Kerr	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Lebel
Lemieux	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Mayes	McColeman
McLeod	Menzies
Merrifield	Miller
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Nicholson	Norlock
O'Connor	O'Neill-Gordon
Obhrai	Oda
Paradis	Payne
Petit	Poillievre
Preston	Rajotte
Rathgeber	Reid
Richards	Richardson
Rickford	Ritz
Schellenberger	Shea
Shipty	Shory
Smith	Sorenson
Stanton	Storseth
Strahl	Sweet
Thompson	Tilson
Toews	Trost
Tweed	Uppal
Van Kesteren	Van Loan
Vellacott	Verner
Wallace	Warawa
Warkentin	Watson
Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)	
Weston (Saint John)	
Wong	Woodworth



## Government Orders

Yelich

Young— 136

## NAYS

## Members

Allen (Welland)	André
Andrews	Angus
Ashton	Asselin
Atamanenko	Bachand
Bagnell	Bains
Beaudin	Bélangier
Bellavance	Bennett
Bevington	Bigras
Blais	Bonsant
Bouchard	Bourgeois
Brison	Brunelle
Byrne	Cardin
Carrier	Chow
Christopherson	Coady
Coderre	Comartin
Cotler	Crombie
Crowder	Cullen
Cuzner	D'Amours
Davies (Vancouver Kingsway)	Davies (Vancouver East)
DeBellefeuille	Demers
Deschamps	Desnoyers
Dewar	Dhaliwal
Dion	Donnelly
Dorion	Dosanjh
Dryden	Duceppe
Duncan (Etobicoke North)	Duncan (Edmonton—Strathcona)
Easter	Eyking
Foote	Gagnon
Garneau	Gaudet
Godin	Goodale
Gravelle	Guay
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)	
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)	
Hall Findlay	Harris (St. John's East)
Holland	Hughes
Hyer	Ignatieff
Julian	Karygiannis
Kennedy	Laforest
Laframboise	Lamoureux
Lavallée	Layton
Lee	Lemay
Leslie	Lessard
Lévesque	MacAulay
Malhi	Malo
Maloway	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Mathysen	McCallum
McGuinty	McKay (Scarborough—Guildwood)
McTeague	Ménard
Mendes	Mulcair
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Murray	Nadeau
Neville	Oliphant
Ouellet	Pacetti
Paillé (Hochelaga)	Paquette
Patry	Pearson
Plamondon	Pomerleau
Rae	Rafferty
Ratansi	Regan
Rodriguez	Rota
Russell	Savage
Savoie	Scarpaleggia
Sgro	Siksay
Silva	Simms
Simson	St-Cyr
Stoffer	Thi Lac
Thibeault	Tonks
Trudeau	Valeriote
Volpe	Wilfert
Wrzesnewskyj	Zarac— 138

## PAIRED

## Members

Davidson	Dufour
Duncan (Vancouver Island North)	Faillie
Freeman	Lunn

Paillé (Louis-Hébert)  
SaxtonRaitt  
Vincent— 10**The Deputy Speaker:** I declare Motion No. 1 defeated.

[Translation]

The next question is on Motion No. 2.

[English]

**Hon. Gordon O'Connor:** Mr. Speaker, if you seek it I think you would find agreement to apply the vote from the previous motion to the current motion.**The Deputy Speaker:** Is there unanimous consent to proceed in this fashion?**Some hon. members:** Agreed.**Ms. Yasmin Ratansi:** Mr. Speaker, Liberals will be voting against this motion.

[Translation]

**Mrs. Claude DeBellefeuille:** Mr. Speaker, the members of the Bloc will be voting against this motion.**Mr. Yvon Godin:** Mr. Speaker, the members of the NDP will be voting against this motion, but we have already voted.**Mr. André Arthur:** Mr. Speaker, I will be voting in favour of this motion.

[English]

**Hon. Albina Guarnieri:** Mr. Speaker, I will be voting for the motion.

(The House divided on Motion No. 2, which was negated on the following division:)

(Division No. 148)

## YEAS

## Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	Armstrong
Arthur	Ashfield
Baird	Benoit
Bernier	Bezan
Blackburn	Blaney
Block	Boucher
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Cadman
Calandra	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Carrie	Casson
Chong	Clarke
Clement	Cummins
Day	Dechert
Del Mastro	Devolin
Dreeschen	Dykstra
Fast	Finley
Flaherty	Fletcher
Galipeau	Gallant
Généreux	Glover
Goldring	Goodyear
Gourde	Grewal
Guarnieri	Harper
Harris (Cariboo—Prince George)	Hawn
Hiebert	Hoback
Hoepfner	Holder
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)

### Government Orders

Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Lemieux
Lobb	Lukiwski
Lunney	MacKay (Central Nova)
MacKenzie	Mayer
McColeman	McLeod
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
O'Neill-Gordon	Obhrai
Oda	Paradis
Payne	Petit
Poilievre	Preston
Rajotte	Rathgeber
Reid	Richards
Richardson	Rickford
Ritz	Schellenberger
Shea	Shipley
Shory	Smith
Sorenson	Stanton
Storseth	Strahl
Sweet	Thompson
Tilson	Toews
Trost	Tweed
Uppal	Van Kesteren
Van Loan	Vellacott
Verner	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Sky Country)	Wong
Weston (Saint John)	Yelich
Woodworth	
Young— 137	

### NAYS

#### Members

Allen (Welland)	André
Andrews	Angus
Ashton	Asselin
Atamanenko	Bachand
Bagnell	Bains
Beaudin	Bélanger
Bellavance	Bennett
Bevington	Bigras
Blais	Bonsant
Bouchard	Bourgeois
Brison	Brunelle
Byrne	Cardin
Carrier	Chow
Christopherson	Coady
Coderre	Comartin
Cotler	Crombie
Crowder	Cullen
Cuzner	D'Amours
Davies (Vancouver Kingsway)	Davies (Vancouver East)
DeBellefeuille	Demers
Deschamps	Desnoyers
Dewar	Dhaliwal
Dion	Donnelly
Dorion	Dosanjh
Dryden	Duceppe
Duncan (Etobicoke North)	Duncan (Edmonton—Strathcona)
Easter	Eyking
Foote	Gagnon
Garneau	Gaudet
Godin	Goodale
Gravelle	Guay
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)	
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)	
Hall Findlay	Harris (St. John's East)
Holland	Hughes
Hyer	Ignatieff
Julian	Karygiannis
Kennedy	Laforest
Laframboise	Lamoureux
Lavallée	Layton
Lee	Lemay
Leslie	Lessard

Lévesque	MacAulay
Malhi	Malo
Maloway	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Mathysen	McCallum
McGuinty	McKay (Scarborough—Guildwood)
McTeague	Ménard
Mendes	Mulcair
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Murray	Nadeau
Neville	Oliphant
Ouellet	Pacetti
Paillé (Hochelega)	Paquette
Patry	Pearson
Plamondon	Pomerleau
Rae	Rafferty
Ratansi	Regan
Rodriguez	Rota
Russell	Savage
Savoie	Scarpaleggia
Sgro	Siksay
Silva	Simms
Simson	St-Cyr
Stoffler	Thi Lac
Thibeault	Tonks
Trudeau	Valeriotte
Volpe	Wilfert
Wrzesnewskyj	Zarac — 138

### PAIRED

#### Members

Davidson	Dufour
Duncan (Vancouver Island North)	Faillie
Freeman	Lunn
Paillé (Louis-Hébert)	Raitt
Saxton	Vincent— 10

**The Deputy Speaker:** I declare Motion No. 2 defeated.

The next question is on Motion No. 3.

**Hon. Gordon O'Connor:** Mr. Speaker, if you seek it, I think you would find agreement to apply the vote from the previous motion to the current motion with the Conservatives voting yes.

**The Deputy Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Ms. Yasmin Ratansi:** Mr. Speaker, Liberals will be voting against the motion.

[Translation]

**Mrs. Claude DeBellefeuille:** Mr. Speaker, the members of the Bloc Québécois will be voting against this motion.

**Mr. Yvon Godin:** Mr. Speaker, the NDP is voting against this motion.

**Mr. André Arthur:** Mr. Speaker, I am voting in favour of the motion.

[English]

**Hon. Albina Guarnieri:** Mr. Speaker, I will be voting for the motion.

(The House divided on Motion No. 3, which was negated on the following division:)

(Division No. 149)

### YEAS

#### Members

Abbott	Ablonczy
--------	----------

*Government Orders*

Aglukkaq  
 Allen (Tobique—Mactaquac)  
 Ambrose  
 Anderson  
 Arthur  
 Baird  
 Bernier  
 Blackburn  
 Block  
 Boughen  
 Breitreuz  
 Brown (Newmarket—Aurora)  
 Bruinooge  
 Calandra  
 Cannan (Kelowna—Lake Country)  
 Carrie  
 Chong  
 Clement  
 Day  
 Del Mastro  
 Dreeshen  
 Fast  
 Flaherty  
 Galipeau  
 Gagné  
 Goldring  
 Gourde  
 Guarnieri  
 Harris (Cariboo—Prince George)  
 Hiebert  
 Hoepfner  
 Jean  
 Keddy (South Shore—St. Margaret's)  
 Kent  
 Komarnicki  
 Lake  
 Lebel  
 Lobb  
 Lunney  
 MacKenzie  
 McColeman  
 Menzies  
 Miller  
 Moore (Fundy Royal)  
 Norlock  
 O'Neill-Gordon  
 Oda  
 Payne  
 Poilievre  
 Rajotte  
 Reid  
 Richardson  
 Ritz  
 Shea  
 Shory  
 Sorenson  
 Storseth  
 Sweet  
 Tilson  
 Trost  
 Uppal  
 Van Loan  
 Verner  
 Warawa  
 Watson  
 Sky Country)  
 Weston (Saint John)  
 Woodworth  
 Young — 137

Albrecht  
 Allison  
 Anders  
 Armstrong  
 Ashfield  
 Benoit  
 Bezan  
 Blaney  
 Boucher  
 Braid  
 Brown (Leeds—Grenville)  
 Brown (Barrie)  
 Cadman  
 Calkins  
 Cannon (Pontiac)  
 Casson  
 Clarke  
 Cummins  
 Dechert  
 Devolin  
 Dykstra  
 Finley  
 Fletcher  
 Gallant  
 Glover  
 Goodyear  
 Grewal  
 Harper  
 Hawn  
 Hoback  
 Holder  
 Kamp (Pitt Meadows—Maple Ridge—Mission)  
 Kenney (Calgary Southeast)  
 Kerr  
 Kramp (Prince Edward—Hastings)  
 Lauzon  
 Lemieux  
 Lukiwski  
 MacKay (Central Nova)  
 Mayes  
 McLeod  
 Merrifield  
 Moore (Port Moody—Westwood—Port Coquitlam)  
 Nicholson  
 O'Connor  
 Obhrai  
 Paradis  
 Petit  
 Preston  
 Rathgeber  
 Richards  
 Rickford  
 Schellenberger  
 Shipley  
 Smith  
 Stanton  
 Strahl  
 Thompson  
 Toews  
 Tweed  
 Van Kesteren  
 Vellacott  
 Wallace  
 Warkentin  
 Weston (West Vancouver—Sunshine Coast—Sea to  
 Wong  
 Yelich

**NAYS**

## Members

Allen (Welland)  
 Andrews  
 Ashton  
 Atamanenko  
 Bagnell  
 Beaudin  
 Bellavance  
 Bevington  
 Blais  
 Bouchard

André  
 Angus  
 Asselin  
 Bachand  
 Bains  
 Bélanger  
 Bennett  
 Bigras  
 Bonsant  
 Bourgeois

Brisson  
 Byrne  
 Carrier  
 Christopherson  
 Coderre  
 Cotler  
 Crowder  
 Cuzner  
 Davies (Vancouver Kingsway)  
 DeBellefeuille  
 Deschamps  
 Dewar  
 Dion  
 Dorion  
 Dryden  
 Duncan (Etobicoke North)  
 Easter  
 Foote  
 Garneau  
 Godin  
 Gravelle  
 Guimond (Rimouski-Neigette—Témiscouata—Les Basques)  
 Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)  
 Hall Findlay  
 Harris (St. John's East)  
 Holland  
 Hyer  
 Julian  
 Kennedy  
 Laframboise  
 Lavallée  
 Lee  
 Leslie  
 Lévesque  
 Malhi  
 Maloway  
 Martin (Winnipeg Centre)  
 Mathysen  
 McGuinty  
 McTeague  
 Mendes  
 Murphy (Moncton—Riverview—Dieppe)  
 Murray  
 Neville  
 Ouellet  
 Paillé (Hochelega)  
 Patry  
 Plamondon  
 Rae  
 Ratansi  
 Rodriguez  
 Russell  
 Savoie  
 Sgro  
 Silva  
 Simson  
 Stoffler  
 Thibeault  
 Trudeau  
 Volpe  
 Wrzesnewskyj

Brunelle  
 Cardin  
 Chow  
 Coady  
 Comartin  
 Crombie  
 Cullen  
 D'Amours  
 Davies (Vancouver East)  
 Demers  
 Desnoyers  
 Dhaliwal  
 Donnelly  
 Dossanjh  
 Duceppe  
 Duncan (Edmonton—Strathcona)  
 Eyking  
 Gagnon  
 GauDET  
 Goodale  
 Guay  
 Harris (St. John's East)  
 Hughes  
 Ignatieff  
 Karygiannis  
 Laforest  
 Lamoureux  
 Layton  
 Lemay  
 Lessard  
 MacAulay  
 Malo  
 Marston  
 Martin (Sault Ste. Marie)  
 McCallum  
 McKay (Scarborough—Guildwood)  
 Ménard  
 Mulcair  
 Murphy (Charlottetown)  
 Nadeau  
 Oliphant  
 Pacetti  
 Paquette  
 Pearson  
 Pomerleau  
 Rafferty  
 Regan  
 Rota  
 Savage  
 Scarpaleggia  
 Siksay  
 Simms  
 St-Cyr  
 Thi Lac  
 Tonks  
 Valeriotte  
 Wilfert  
 Zarac — 138

**PAIRED**

## Members

Davidson  
 Duncan (Vancouver Island North)  
 Freeman  
 Paillé (Louis-Hébert)  
 Saxton  
 Dufour  
 Faille  
 Lunn  
 Raitt  
 Vincent — 10

**The Deputy Speaker:** I declare Motion No. 3 defeated.

• (1815)

[*Translation*]

**Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC)** moved that the bill, as amended, be concurred in at report stage.

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

*Government Orders*

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion, the yeas have it.

*And five or more members having risen:*

• (1820)

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 150)*

## YEAS

## Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	Andrews
Armstrong	Arthur
Ashfield	Bagnell
Bains	Baird
Bélanger	Bennett
Benoit	Bernier
Bezan	Blackburn
Blaney	Block
Boucher	Boughen
Braid	Breitkreuz
Brison	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Byrne
Cadman	Calandra
Calkins	Cannan (Kelowna—Lake Country)
Cannon (Pontiac)	Carrie
Casson	Chong
Clarke	Clement
Coady	Coderre
Cotler	Cummins
Cuzner	D'Amours
Day	Dechert
Del Mastro	Devolin
Dhaliwal	Dion
Dosanjh	Dreeshen
Dryden	Duncan (Etobicoke North)
Dykstra	East
Eyking	Fast
Finley	Flaherty
Fletcher	Foote
Galipeau	Gallant
Garneau	Généreux
Glover	Goldring
Goodale	Goodyear
Gourde	Grewal
Guarnieri	Hall Findlay
Harper	Harris (Cariboo—Prince George)
Hawn	Hiebert
Hoback	Hoepfner
Holder	Holland
Ignatieff	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Karygiannis
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lamoureux
Lauzon	Lebel
Lee	Lemieux
Lobb	Lukowski
Lunney	MacAulay

MacKay (Central Nova)	MacKenzie
Malhi	Mayes
McCallum	McColeman
McGuinty	McKay (Scarborough—Guildwood)
McLeod	McTeague
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown)	Murray
Neville	Nicholson
Norlock	O'Connor
O'Neill-Gordon	Obhrai
Oda	Pacetti
Paradis	Patry
Payne	Pearson
Petit	Poilievre
Preston	Rajotte
Ratansi	Rathgeber
Regan	Reid
Richards	Richardson
Rickford	Ritz
Rodriguez	Rota
Russell	Savage
Scarpaleggia	Schellenberger
Sgro	Shea
Shipley	Shory
Silva	Simms
Smith	Sorenson
Stanton	Storseth
Strahl	Sweet
Thompson	Tilson
Toews	Tonks
Trost	Tweed
Uppal	Valeriote
Van Kesteren	Van Loan
Vellacott	Verner
Volpe	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Sky Country)	Wilfert
Weston (Saint John)	Woodworth
Wong	Yelich
Wrzesnewskyj	Zarac— 194
Young	

## NAYS

## Members

André
Ashton
Atamanenko
Beaudin
Bevington
Blais
Bouchard
Brunelle
Carrier
Christopherson
Crowder
Davies (Vancouver Kingsway)
DeBellefeuille
Deschamps
Dewar
Dorion
Duncan (Edmonton—Strathcona)
Gaudet
Gravelle
Guimond (Rimouski-Neigette—Témiscouata—Les
Hyer
Laforest
Lavallée
Lemay
Lessard
Malo
Marston
Martin (Sault Ste. Marie)
Ménard
Nadeau
Pailé (Hochelaga)
Plamondon

*Government Orders*

Pomerleau  
Savoie  
St-Cyr  
Thi Lac

Rafferty  
Siksay  
Stoffer  
Thibeault — 74

## PAIRED

## Members

Davidson  
Duncan (Vancouver Island North)  
Freeman  
Paillé (Louis-Hébert)  
Saxton

Dufour  
Faille  
Lunn  
Raitt  
Vincent — 10

**The Deputy Speaker:** I declare the motion carried.

\* \* \*

[English]

## BUSINESS OF THE HOUSE

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, If you seek it, I believe you would find consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practice of the House, the deferred recorded division on the motion for second reading of Bill C-510, An Act to amend the Criminal Code (coercion), currently scheduled to be held immediately before the time provided for private members' business on December 15, be held instead at the conclusion of oral questions on December 15; that any further recorded divisions deferred to Wednesday, December 15, pursuant to Standing Order 66(2), 93(1), 97.1 or 98(4), be held instead at the conclusion of oral questions on the said Wednesday; and that the time used for the taking of the deferred recorded divisions be added to the time provided for government orders that day.

**The Deputy Speaker:** Does the hon. member have unanimous consent to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

**The Deputy Speaker:** It being 6:24 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

## PRIVATE MEMBERS' BUSINESS

[English]

## DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES ACT

The House proceeded to the consideration of Bill C-429, An Act to amend the Department of Public Works and Government Services Act (use of wood), as reported (without amendment) from the committee.

**The Deputy Speaker:** There being no motions at report stage, the House will now proceed without debate to the putting of the question on the motion to concur in the bill at report stage.

**Mr. Gérard Asselin (Manicouagan, BQ)** moved that the bill be concurred in.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And five or more members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 98, the recorded division stands deferred until Wednesday, December 15 immediately after oral questions.

## GOVERNMENT ORDERS

• (1825)

[English]

## ECONOMIC NEGOTIATIONS WITH THE EUROPEAN UNION

(House in committee of the whole on Government Business No. 9, Mr. Andrew Scheer in the chair)

**Hon. Gordon O'Connor (Minister of State, CPC)** moved:

That this committee take note of the current negotiations to conclude a comprehensive economic and trade agreement with the European Union by the end of 2011.

[Translation]

**Hon. Peter Van Loan (Minister of International Trade, CPC):** Mr. Chair, I am pleased to rise this evening in the House to speak about Canada's comprehensive economic and trade agreement negotiations with the European Union. These negotiations are at the centre of our government's ambitious trade strategy, which involves promoting job creation and prosperity for Canadians.

[English]

Canada has always been a trading nation. Our businesses count on selling their goods, products and services all around the world and they are counting on their government to open markets around the world for them to succeed. Our government will always stand together with our businesses and with our workers, opening free markets, because that is what Canada's economy needs.

Free trade is not an abstract concept. It creates real tangible benefits for people. It helps entrepreneurs succeed and win in global markets. It helps our businesses expand, strengthens their operations here at home, maintaining and creating jobs all across the country. When our businesses succeed, Canadians succeed. That is why our government is standing up for Canadian businesses through free trade, free trade with the European Union in particular.

*Government Orders*

[Translation]

We are proud of the progress we have made to date. Over the past four years, we signed new free trade agreements with eight countries and we are currently in the midst of negotiations with close to 50 others, including the European Union.

[English]

That, of course, includes its 27 member states.

Over the years, the European Union has become Canada's second largest trade and investment partner in the world, second only to the United States. In sectors as diverse as agriculture, banking and high technology, we can point to jobs and prosperity in both Canada and in Europe that are directly supported by our close relationship.

Canadian businesses are excited about the European Union's position as the world's largest single common market and biggest investor and global business hub. At the same time, our European partners are looking to Canada's own cutting-edge, innovative economy, talented workforce, and world-leading business community. They are also attracted to Canada's banking system, which is, as we know, the soundest banking system in the world. They look to our taxes, soon to be the lowest taxes across the board on businesses, and already the lowest taxes on new business investment.

I have seen this interest in Canada in my own travels just this year in Europe promoting our European Union-Canada free trade negotiations in countries like Estonia, Greece, Spain, Romania, Slovakia, Sweden, Belgium and Bulgaria. These countries and more have all expressed a great interest in doing business with Canada. Recognizing the great opportunity, our negotiators have been working closely with their European counterparts to work out the details.

As we prepare for the sixth round of negotiations in Brussels next month, I am pleased to report the great progress that we have made to date. We have made progress across the board, including in the main market access areas like good and services, investment and government procurement.

We are well on track to having these negotiations concluded, we hope, by the end of next year.

Tomorrow, I will be meeting with the European Union trade commissioner, Karel De Gucht, here in Ottawa to take stock of the progress that we have made so far.

[Translation]

Given the high level of co-operation and the high degree of flexibility we have seen, I have no doubt that these negotiations will be fruitful and result in the signature of a comprehensive and ambitious agreement that will benefit all Canadians.

[English]

The benefits of such an agreement would be tremendous.

A joint study was done in advance of the negotiations to set the table to decide whether it made sense for both sides to proceed with the free trade negotiations. That study indicated that a deal of the type contemplated, a deal of the type we are on track to deliver,

would deliver a benefit to the Canadian economy in excess of \$12 billion annually.

An agreement would also give Canada a significant competitive edge against other countries. Canada would be the first developed country with a trade agreement with the European Union. What is more, that would put Canada in a unique position. It would be the only developed country in the world with free trade agreements with both the United States and the European Union, the two biggest markets in the world. Members should think of the competitive advantage that would give to Canadian businesses and workers. It is a unique position with which nobody in the world would be able to compete.

And yet, even with those kinds of benefits, we continue to hear voices from the fringe and the extreme opposing our efforts.

I should point out that these are the same voices that were heard during the debate over free trade with the United States, naysayers who believe, for example, that economic co-operation requires giving up our sovereignty or is somehow harmful to a nation's economy. They should tell that to the millions of Canadians who have benefited and continue to benefit from the North American Free Trade Agreement.

• (1830)

[Translation]

NAFTA did not weaken Canada's sovereignty in any way. It strengthened our economy and made us more competitive. Under NAFTA, international companies invested in Canada and will continue to operate here.

[English]

For example, since free trade with the United States was initiated, Canada's merchandise trade with the United States has actually more than doubled; and our trade since NAFTA with Mexico has increased almost fivefold.

Just think of all the jobs and economic activity, all the prosperity, all the families that are doing better today than before as a result of these free trade agreements and the opportunities they delivered.

In fact, 4.1 million Canadian jobs have been created since free trade with the United States became effective. Critics of free trade choose to ignore these facts. Instead, they think our businesses and our economy should be isolated from the global competition.

Our government believes Canadian businesses can compete with the best. We believe Canadian workers can compete with the very best in the world. That is what they have done and that is what they will do into the future. They have proven, time and again, that they can win in the markets of the world, and they are counting on us to stand up for them, to negotiate the terms of access they have been looking for so that they can sell their goods, their products and their services, the best in the world, into the 27-member European Union. We are not going to let them down.

*Government Orders*

It is not too late for our critics to join us in efforts to help create more jobs and prosperity here in Canada. It is not too late for them to join the chorus of support we have been hearing from our own business community, as well as from the provinces and territories, who have been deeply involved in these negotiations since the start. In fact, for the first time in Canada's history, the provinces and territories have been actually at the tables in these negotiations, helping us to deliver a broader and deeper agreement.

[*Translation*]

All of Canada is participating in this initiative, and we have seen a great deal of enthusiasm for the efforts we are making to establish closer trade ties with the world's largest markets.

We are asking members on both sides of the House to help us create new jobs and increase prosperity for Canadians by supporting our free trade agenda as we take an important step in Canada's history as a trading nation.

[*English*]

This is a tremendous opportunity for Canada. This trade agreement would be the most significant initiative since the North American Free Trade Agreement. This is a trade agreement that creates opportunities in every part of this country. This is a situation where Canada has the potential to set itself apart from any of our traditional competitors.

We can be very proud of the track record of our government, the free trade initiatives we have taken, the new agreements that we have already launched. In fact, our predecessors were timid about trade agreements and only did three in the 13 years of Liberal government.

We are in the process of actually enhancing and improving those three agreements, renegotiating them to meet our standards of an ambitious agreement. This is our chance to have the most state of the art, ambitious free trade agreement ever.

It is an opportunity we should not let pass by. It is significant at this time of economic challenges that Canada is showing this leadership. We are indeed the strongest of any of the economies in the G7, with the strongest economic growth, the lowest debt and the lowest deficit, and the most skilled workforce in the world, with the highest proportion of post-secondary graduates of any OECD country.

We can be proud of what we have been doing, but we can take that pride on the road, on the world stage, and create jobs and opportunity for Canadians across the country by delivering a free trade agreement between Canada and the European Union.

I encourage all members of the House to get behind this very significant effort.

• (1835)

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Chair, the hon. minister is creating straw men when he seems to suggest that there are still those who are deeply critical of free trade. I think there is no doubt that as a society we recognize the benefits of free trade. We know that it leads to economic advancement, and so on and so forth. But what is important, at least from my point of view as a Liberal, is that we have intelligent and strategic free trade.

That brings me to an issue about which I would like to ask the member: the issue of the municipal water services sector under these negotiations. As we have heard, European companies would like to have access to our municipal water services sector. They would like to bid on public-private partnerships as some municipalities decide to go that route.

However, many municipalities are concerned that they will be forced to accept bids from foreign water services companies such as Veolia and Suez, and so on, and that when these companies win a bid and start managing a water filtration plant, for example, a drinking water plant and things go awry, as things have indeed done if one looks at what happened in Atlanta in 2003, it will be very difficult for these municipalities to exercise their sovereignty, to exercise democratic control and break contracts with these huge foreign water services companies. They are very concerned that this will lead to problems for them.

I have noted that the United States, even though it is a free trading nation, even though it believes deeply in free trade, would never open its water services sector to that kind of foreign competition.

So I would like to ask the minister why he thinks it is a good idea for Canada to do that when the United States will not.

**The Chair:** I will have to stop the member there to allow appropriate time for a response.

The hon. Minister of International Trade.

**Hon. Peter Van Loan:** Mr. Chair, first, I must correct the hon. member. It is thanks to this government that Canadian companies were able to bid on waterworks, as a result of the Obama stimulus program. There was a Buy American policy in place designed to keep out companies such as Canadian companies that traditionally supplied pipes and other services and water systems. We were successfully able to obtain a waiver to that, again gaining access for Canadians to other marketplaces.

There was a lesson in that. What had happened was that procurement at the subnational level in provinces and territories, and so on, was not part of the North American Free Trade Agreement. Only at the national level was procurement included. That left us vulnerable to protectionist actions whereby the Americans were able to lock out Canadian companies and Canadian workers. Millions of dollars were being lost. Jobs were being lost. Canadians were being hurt because we had not secured that market access.

We made progress earlier this year when we achieved a waiver from those policies through an agreement with the United States, where we got a commitment and we signed on to the government procurement provisions of the World Trade Organization and thus got guaranteed access in a large portion of the United States. As a result, Canadians can bid on that, and we need to be able to bid on that.

We believe those kinds of opportunities are important, but I can assure the hon. member that nothing in any agreement will compromise the ability of Canadian municipalities and provinces to set water quality standards to ensure safe drinking water for all Canadians.

*Government Orders*

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Chair, the minister said nothing about supply management or agriculture. Supply managed farmers are very concerned and are wondering why Canada, for the first time in the history of international free trade agreement negotiations, has left supply management on the table.

I would like to quote Steve Verheul, Canada's chief negotiator:

It is up to the European Union to make proposals that may relate to products under supply management.

So it is appropriate to be concerned.

My question is for the minister. Why, for the first time ever, leave supply management on the table, especially when the negotiator for the European Union, Mr. Maurizio Cellini, says that the Europeans are interested in the cheese and poultry markets?

That obviously opens the door to negotiations that might spell an end to supply management. We have seen this attitude previously from the Minister of International Trade in relation to other free trade agreements, such as the transpacific alliance, which is getting increasing attention. The minister even said himself that he was prepared to negotiate supply management. In fact, *La Presse Affaires* published an article saying so on November 16.

I would like the minister to explain himself on this point since he said that he did not want to jeopardize supply management and is prepared to negotiate. I would especially like him to confirm, once and for all, that the Bloc Québécois's 2005 motion will be honoured and that there will be no increased market access or a drop in tariffs.

• (1840)

**Hon. Peter Van Loan:** Mr. Chair, our government's position is clear: we support the supply management system. This support is clear and categorical. There are negotiations underway and all topics are on the table. These negotiations are different from any previous negotiations. However, our position is clear. In these negotiations, we have supported and intend to continue supporting the supply management system, and that support is robust and unequivocal.

[English]

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, it is a little surprising to see the minister come out so aggressively attacking organizations such as the Union of British Columbia Municipalities, the Federation of Canadian Municipalities, the Dairy Farmers of Canada and the Canadian Health Coalition, all of whom have raised very valid concerns about the minister's negotiating stance.

As we saw with the softwood lumber sellout and the shipbuilding sellout, Canadians have good reason to fear when the minister moves forward with his own agenda.

The only credible study on the actual job losses resulting from this agreement show job losses of about 150,000. The minister tried to rebut this and it was a botched rebuttal. He forgot that Mexican auto production was part of North American auto production. It was extremely embarrassing for the minister. He has not yet apologized for that botched rebuttal on this issue.

We have had a number of issues raised and not too many answers yet on supply management, which is clearly on the table, and on our public water systems, which are clearly on the table.

I want to ask the minister one thing. With the proposals that are currently on the table, has he done his due diligence to see how much more it will cost provincial drug plans and how much more it will cost Canadians who are getting those pharmaceutical drugs for their good health?

The latest estimates show a 30% increase. Does the minister have the figures that show how much—

**The Chair:** I am going to have to stop the member there.

The hon. Minister of International Trade.

**Hon. Peter Van Loan:** Mr. Chair, I can only say that the hon. member is living in a parallel universe that I am not familiar with, because the incredible study that was done in advance of this indicated a \$12 billion annual benefit to the Canadian economy.

That actually means more jobs when the economy grows by \$12 billion a year. That inevitably means jobs and income opportunities for thousands of Canadian families. That is what the study shows.

I know the member is repeating many of the same concerns that were repeated before the North American Free Trade Agreement and before the Canada-U.S. Free Trade Agreement, that we would lose our culture, which did not happen; that we would lose our health care, but the last I checked, the Obama administration was actually trying to move closer to Canadian health care; that we would lose our system of supply management, but we did not; or that we would lose our fine Baby Duck wine. We actually ended up with better quality Canadian wines.

Throughout all the issues he has raised, he is simply not accurate. He asked me to answer a specific question about provisions that have not even been negotiated yet with regard to pharmaceuticals, issues that are to be negotiated at the table, and we are doing that in a fashion that will defend Canada's interests.

It is important to recognize also that nothing in this agreement will affect the provinces' ability and mandate to deliver health care in the best interests of Canadians.

[Translation]

**The Chair:** There is just a minute left for a very short question. The hon. member for Saint-Bruno—Saint-Hubert.



*Government Orders*

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Chair, Quebec was the first state in the world to approve the UNESCO convention on the protection and promotion of culture, generally called the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Canada and the European Union were among the first to support and then ratify this UNESCO convention. Should they not set an example, therefore, and both agree to completely exempt culture from the trade agreement they are negotiating and include in the preamble to the agreement a reference to the UNESCO convention as a legal framework on which cultural exemptions could be based?

• (1845)

[English]

**Hon. Peter Van Loan:** Mr. Chair, the hon. member is quite right. Both Canada and the European Union share an interest in the UNESCO convention in protecting our cultural heritage. The 27 member states of the European Union perhaps arguably have a greater interest in that than Canadians have with simply two languages and a diversity of cultures.

That said, whatever the case may be, I think both sides of the negotiation are on the same page, wanting to see culture legitimately protected. I believe that will be the basis of a Canada-European Union free trade agreement.

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Chair, I am pleased to have the opportunity to take part in this take note debate on the Canada-EU trade agreement.

While there is widespread support for a Canada-EU trade agreement, concerns have been raised specifically as to what is on the negotiating table with respect to one of our key agriculture institutions. If nothing else regarding the negotiations on the Canada-EU trade agreement, the reality is, and remains, that supply management is on the negotiating table and has been from the very beginning. This fact was confirmed by Canada's chief negotiators, not once but at least three times before two committees of the House.

On June 15 before the international trade committee, the government's chief agriculture negotiator stated:

At the time the negotiations were launched, there was an agreement that there was to be a no-exclusion a priori... That essentially left it open to each side to make proposals on anything of interest to them.

[I]t's up to the European Union to make proposals that may relate to protocols under supply management.

At the same committee, on November 15 the chief negotiator stated:

[W]hen we started the negotiations we agreed officially that everything was on the table. That was an explicit agreement at the beginning. As to whether everything will be on the table at the end of the negotiations, that's a different question.

More recently, on December 2, Canada's chief negotiator stated in the context of supply management that "everything was on the table when we began the negotiations".

The rhetoric from the political side of the Conservative government about supporting supply management is, in many respects, suspect. In reality, one can support the idea of something until, to obtain something else, it is negotiated away. If the Conservatives were really honest in saying that they will defend supply management, then it would not be on the table in the first

place, because there is the real possibility that although they support the idea of supply management, it can in fact be negotiated away for something else. It can be traded off. That is our worry in the official opposition. That is the worry of the Dairy Farmers of Canada.

We have in supply management one of the models for the world in terms of having a system whereby farmers collectively come together and achieve their cost of production and a fair return on labour investment in lieu of managing supply to meet effective demand and providing products at reasonable prices to consumers. It is one of the models that the world should be looking at, that we should be promoting to other countries around the world instead of running the risk of negotiating it away.

Even if the government allowed supply management to remain on the negotiating table which, so far as the EU is concerned is therefore subject to negotiation, the government can claim it supports it, but does it really? If the government were honest that it supports supply management, the government would simply state that the issue of supply management has been removed from negotiations of any kind.

According to Dairy Farmers of Canada, Canada has agreed that there would be no prior exceptions, but did indicate that this was a position which should be of concern, given the EU's common agricultural policy, CAP, is not on the negotiating table. It is serious that CAP is not on the negotiating table. What essentially is CAP and why should we be concerned that this program is not on the table?

CAP is what serves European farmers and serves them well. I spent considerable time a number of years ago studying common agricultural policy. On an annual basis the EU spends about 43 billion euros on CAP, of which 88% is in direct payments, with the remainder dedicated to programs focused on responding to declines in market prices of commodities.

• (1850)

Given that a single Canadian dollar has a 75¢ value in euros, the amount available under CAP, common agricultural policy, to the European farmer community is about \$30 billion Canadian annually. That is serious.

The European community is willing to be there and support their governments. They are willing to stand up and not put it on the negotiating table. Yet on one of the most progressive and valued farm programs in this country, the Conservative government has actually put it on the table and has admitted so several times. CAP represents approximately 46% of the EU's total budget.

During the most recent hearings of the agriculture committee, officials negotiating the Canada-EU trade deal did not deny that the EU has removed from discussion the common agricultural policy. Dairy Farmers of Canada have indicated that "while the Canadian government remains committed to defending supply management the EU's insistence to gain access to the Canadian cheese market and obtain agreement that geographical indications be fully recognized".

My colleague from the Bloc, the member for Richmond—Arthabaska, raised a question with the minister a few moments ago, and he certainly did not get many answers. He in fact got none.

*Government Orders*

This is a government that is not transparent about how these negotiations are pressing forward. This is a serious issue, that our cheese markets could potentially be opened up and undermine our price structure in Canada. That is a serious issue. Geographical indications could also be a serious issue for some of our products that are produced in this country.

This is of serious concern to our dairy producers. They have maintained that the government defend our industry from this provision being weakened during these negotiations.

Finally, Dairy Farmers provided an analysis in November and stated that if the negotiations are continuing on the basis of the fourth draft modalities on agriculture, that is December 2008, that draft states that Canada will be required to “reduce over quota tariffs by 23% and agree to additional access to dairy products market potentially reaching 6% of consumption”. The DFC estimates that this would result in income losses in excess of \$1 billion at the farm gate, or the equivalent of over 20% of proceeds from milk sales at the farm gate. That is serious.

According to a study conducted in April 2010 by the Canadian Centre for Policy Alternatives, the position articulated by the EU in the December 2009 document on, for example, the Canadian Wheat Board, are consequential:

Hampering the procurement policies of the Wheat Board...complements the EU's publicly-stated goal of dismantling the Board, which it reiterated at the outset of negotiations.

This is an issue which requires full and careful consideration prior to any agreement being fully negotiated, let alone concluded.

Supply management and the Canadian Wheat Board are pillars of our agricultural policy in this country. Supply management maintains a system of supply in which farmers are assured their cost of production and a fair rate of return on their labour and investment. The Canadian Wheat Board maximizes returns back to the primary producer through orderly marketing or single-desk selling.

While we acknowledge that Canada is a trading nation and that our agricultural sector to a very great extent is dependent upon export markets, it would serve us well to keep in mind the reality that we cannot allow some of our main institutions to be negotiated away.

• (1855)

**The Chair:** I will have to stop the member there as his time has expired, and open the floor to questions and comments.

Questions and comments, the hon. Parliamentary Secretary to the Minister of International Trade.

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Mr. Chair, I do not quite know where to start my question for the hon. member, so I will start by simply correcting the record on a number of things the hon. member said.

Certainly we have protected supply management since we formed government and we have defended supply management in discussions and negotiations around the world. I have met with dairy farmers several times about this agreement. They have not expressed any shock or fear that somehow we are going to negotiate supply management away. As a matter of fact, they have been complimen-

tary on the way that we have held our negotiations and have been very careful in our manoeuvring with the European Union.

On common agricultural policy, the European Union is in the process of changing its common agricultural policy. At this time it is in debate and in a state of flux. That is the reason it is not on the table. As far as geographical indicators go, there are some geographical indicators that we have concerns about. We have some geographical indicators in Canada that we would certainly like to see protected, but the Europeans have much more they want protected than we do. We are in a much better position at the negotiating table than they are.

**Hon. Wayne Easter:** Mr. Chair, as I indicated on the record, the Dairy Farmers of Canada made it very clear to us that they are concerned. The quotes of the Dairy Farmers of Canada are accurate as stated to us in various documents. The parliamentary secretary went on at some length about how the government has defended supply management and to its credit, sometimes it has. But all we need is for it not to defend it once. That is what we are worried about. All we need to do to destroy the system is to lose it once. And supply management is on the negotiating table. The negotiators have made it clear. We are sending a clear message to the government, do not negotiate it away.

The other point the member made is that the EU is in the process of changing CAP. We have been hearing that since I studied CAP in 1988. It has been in the process of changing it year after year after year, but the fact of the matter is it is contributing about \$30 billion Canadian a year to its farm community and our farmers have to compete against that treasury.

I am saying to the Government of Canada, stand up for Canadian farmers and ensure that we compete on a relatively level playing field.

[*Translation*]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Chair, the hon. member for Malpeque is quite right. The agricultural sector and farmers under supply management get very worried every time there is a trade agreement. It is even worse when, for the first time, the government leaves supply management on the table. They certainly would not be so worried if it were not there. The hon. member for Malpeque and I are much better suited than the parliamentary secretary to say what farmers think because we meet them almost every day. We both sit on the Standing Committee on Agriculture and Agri-Food and are both the agriculture and agri-food critics of our respective parties.

The hon. member for Malpeque is quite right when he says this is not the first time that supply management has not been well protected internationally in the negotiation of agreements like this. It almost happened already. In July 2007, there were texts on the table; the hon. member gave some figures a little while ago. The proposal at the WTO reduced Canadian tariffs by at least 23% and increased imports of sensitive products by 4%.

*Government Orders*

After the failure, fortunately, of the texts presented in July 2007, the two Canadian ministers who were there, the Minister of Agriculture and the former Minister of International Trade, former Senator Fortier, said they were very disappointed. In the texts they were looking at, there were things that might have been good for Canadian trade in general but we know for sure would have been catastrophic for supply management. There are reasons, therefore, why we think that when supply management is on the table, danger looms.

I would like to hear what the hon. member for Malpeque has to say about this.

• (1900)

[*English*]

**Hon. Wayne Easter:** Mr. Chair, I certainly welcome the question.

I welcome the work of the member for Richmond—Arthabaska in terms of his fighting for producers in the agriculture committee and for the supply management industry in this country.

He is absolutely correct. The record will show that in the 2007 negotiations there was a proposal on the table that would have reduced the tariffs substantially for supply management and that would have basically made it impossible for our supply management industry to survive over even the short and medium term.

The government had the opportunity to reject and object to that proposal, and it did not. If those negotiations had been successful, then the industry would have been completely undermined. Those are the facts, and that is the reality.

That was an instance where the government was allowing supply management to be negotiated away. Thank heavens for other countries that stood up, and the agreement did not proceed.

Hopefully the government has now seen the light and will stand more firmly behind supply management, not just in rhetoric and words but in actual action. That is what we want to see here. We do know it is still on the table.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, the member for Malpeque is a defender of farmers, and we appreciate that in the House.

Unfortunately, his party has not often stood up for Canadians. We saw that with the Liberal Party's support for the softwood lumber sellout, the shipbuilding sellout and the Colombia human rights sellout.

I think it is fair to say that the member for Malpeque and I would agree that the Conservative government has been egregiously bad for Canadian farmers, so bad that the farmers are now pressing to have agriculture research dollars restored to 1994 levels, and we have this sellout of supply management.

Given the huge significant increases in drug costs that are contained within the agreement, that have been put on the table by the Conservative government, and given the fact that supply management is on the table as well with huge implications for communities across this country, would the member for Malpeque stand and say that the Liberal Party will oppose this agreement with

the provisions that are on the table now, given that this is clearly not in the public interest?

**Hon. Wayne Easter:** Mr. Chair, as I made clear in the beginning, Canada is a trading nation. This is a very important agreement to Canada and to the industries in Canada.

However, what is going to be critical in the area that I have been speaking on, the agricultural sector, is that we are able to maintain our supply management system and are able to maintain the Canadian Wheat Board.

We are trading nation, and I think there is good economic value in this agreement for both countries. We have made it clear that we will look at the negotiations as they go along, but we as a party are supportive of trade. That is why I supported the Colombia trade agreement. There are a lot of benefits in that Colombia trade agreement for primary producers, as well as the spinoff through the economy.

It is important that we support trade, but we need to make sure that there are safeguards in those agreements from which our industries can benefit overall.

**Mr. Gerald Keddy:** Mr. Chair, I appreciate the fact that the member is saying he is going to support trade, and I certainly would hope that he will be very willing to support this particular trade agreement.

Going back to supply management for one second, we have to ask ourselves what the Europeans would have to gain by getting access to a market of 35 million people for dairy and opening up a market of 450 million people? What would they have to gain?

They have some interest in some specific areas, but they are not interested in wiping out supply management. They are interested in a number of others.

• (1905)

**Hon. Wayne Easter:** Mr. Chair, there is no question that in negotiations what one country is trying to find is a way to take advantage of the others.

We want to make sure that when we have two models, those institutions are not put at risk. The Canadian Wheat Board is one, through orderly marketing; supply management is the other, through the kind of supply system matching supply to meet effective demand.

The fact of the matter is that what is worrying to us is that realized net farm income derived from the international marketplace has been in a negative position for many years. We need to ensure that we get those numbers out of the red and into the black in any negotiation going forward.

[*Translation*]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Chair, I would like to voice a number of concerns on behalf of the Bloc Québécois. From the outset, the Bloc Québécois has stated that it agrees that there should be negotiations with the European Union. Our party was in fact the first party to propose such negotiations.

*Government Orders*

The Minister of International Trade stated earlier that it was the success of the free trade agreement with the United States that gave him reason to believe that it would be beneficial for Canadians to enter into a similar agreement with another large country or large political structure, such as the European Union. If the minister were truly responsible, he would be receptive to the various proposals that have been brought before him in an effort to improve any new free trade agreement with a structure as large as the European Union. It cannot be said that the agreement with the United States is all positive. The size of the US market as compared to the Canadian and Quebec markets has caused a number of problems.

I would invite the minister and the Conservatives to pay heed to a number of the misgivings voiced by the opposition parties. I could speak about culture, but I will leave that up to my colleague, the member for Saint-Bruno—Saint-Hubert, since that is her specialty and she masters it quite brilliantly. The member for Richmond—Arthabaska spoke about agriculture, but I will touch on it again.

The Bloc Québécois believes that this kind of agreement is important to Quebec's export-driven economy. The free trade agreement with the European Union is important because it will help to diversify what are largely export-driven markets that focus on the United States, and that are facing hard times.

I just said that the minister should pay heed. This is quite important. The Conservatives have served us up a culture of secrecy across the board, and in particular when it comes to negotiations. It is understandable that the negotiation process has to be somewhat confidential, but the fact remains that parliamentarians should be better informed regarding potential issues and the process itself. The current practice is deplorable to say the least.

As I was saying, there are various aspects that are cause for concern, and I would like to state them. First, there is the question of government procurement. At the request of the European Union, the various provinces have been invited to take part in the negotiations with Canada's chief negotiator. The European Union asked that the provinces be involved because it knew that they are in charge of government procurement, in particular procurement by provincial governments, municipalities and various institutions such as school boards, colleges, universities, and so on.

This raises a number of concerns. What limits will be imposed? The chief negotiator has indicated that there would very probably be a limit below which there would be exemptions. For example, all contracts for less than \$8 million could potentially be exempted from the free trade agreement, including procurement by municipalities.

● (1910)

We have no assurance on that, however. I think it is important that we have a little more information, and that the government listen to what the provinces and municipalities are calling for.

There are already rules within the European Union, among the 27 member states, and it would be very desirable for the same rules to apply between the European Union and Canada and the provinces in respect of government procurement.

With respect to supply management, I heard the parliamentary secretary and the Minister tell us that the Conservative government has defended supply management since it came to power. I am

nonetheless going to reiterate the arguments presented just now. Why is this issue still on the bargaining table if the Conservative government is so committed to defending supply management? How is it that after saying that everything is on the table they have not yet resolved this situation, if they absolutely want to protect it to the very end?

In fact, a question was put to the chief negotiator, Mr. Verheul, at a meeting of the Standing Committee on International Trade held on June 15 of this year: what are the main points on which the Europeans are being most demanding, and what are the main points on which we are being most demanding? His answer was particularly disturbing, because he did not clarify anything. He said:

Both countries also have sensitivities in the general area of access for agricultural products, or at least some agricultural products. This will be the subject of discussion further on in the negotiations.

If, on the one hand, we are saying we want to protect supply management, why is the negotiator saying that will be negotiated later? It would be so simple to say we are not touching it, period. It seems to me that this would be much clearer. If the Conservatives want to be clear, they only have to say it. In fact, on that point, there are also other disturbing aspects. An article about the various sections on the preliminary talks for the negotiations is even more problematic since it relates directly to supply management as a domestic support measure. In English, it says:

[English]

The Parties agree to cooperate in the WTO agricultural negotiations in order to achieve a substantial reduction of production and trade-distorting domestic support....

[Translation]

Collective marketing mechanisms definitely distort the domestic marketplaces of those countries that implement them. In fact, quotas and tariffs end up determining supply. There is therefore reason to believe that supply management is being targeted by this provision.

It was signed by both parties, which agreed on the issue. On the one hand, it constitutes a general commitment to co-operate under WTO rules, not a concrete undertaking to do away with supply management. That much is quite clear. On the other hand, since supply management is always taken off the bargaining table when it comes time to negotiate free trade agreements, one wonders why it is still there at all. In the current agreement with the European Union, Canada is currently incapable of clearly stating that supply management will not be affected by the agreement because the government has said that "everything is on the table".

Supply management is crucial to the development of agriculture in Quebec, human-scale agriculture based on the principle of food sovereignty. Danger is at our doorstep, and the Conservatives must reveal their intentions.

There is a lot more to be said on other matters, such as labour standards. The Bloc Québécois wants a truly binding mechanism put in place in order to guarantee that minimum labour standards will be upheld across the board under this agreement and in all related areas. Environmental protection must be considered. Globalization must go hand in hand with environmental protection so that our communities develop in a sustainable manner.

*Government Orders*

I will stop there and take my colleagues' questions.

• (1915)

[English]

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Mr. Chair, this is an important debate and certainly one that needs to be held in the House.

I want to discuss a couple of points the hon. member made, and I do not want to spend a lot of time on it because we have answered it. We will defend supply management and the very principle of it, which is farmers get their cost of production plus a profit. This is a principle that most of us understand, and it is one of the few agriculture sectors in Canada in which that actually occurs. We are very supportive of it and always have been. We have defended and will continue to defend supply management.

However, let us not forget about the rest of the agriculture sector in Canada that has a lot at stake in these negotiations as well. There is the potential of a \$3 billion increase in agricultural exports to the EU. In the beef sector, the pork sector, the oil seeds sector and the processed food sector, there is tremendous potential for an increase for agriculture across Canada, from coast to coast, while we continue to protect supply management.

[Translation]

**Mr. Jean-Yves Laforest:** Mr. Chair, in answer to the parliamentary secretary's question, we are very aware that there are agricultural sectors other than those under supply management. However, when he answers in this way, when he says they will defend supply management but there are other sectors as well, is he not setting the stage to some extent to protect the other sectors? The government might just be forced to make a few concessions in the area of supply management. He says it is a sector where farmers can earn their costs of production plus a bit of a profit. That is supply management. However, it seems to me that they need to state this much more clearly and say frankly that everything was on the table at the beginning of the negotiations, but now the Europeans need to understand that we do not want supply management touched. Why wait for the very end of the negotiations if they have no intention of making concessions in this area?

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, I was very interested in what my colleague had to say. There are several questions that arise. We did not get a single answer out of the minister a few minutes ago. He seemed incapable of answering a single question about details with which we are already familiar because of the leaks that arrive in our offices from the negotiating table.

In addition to the concerns about supply management, which the member so ably outlined, there is a great deal of concern about pharmaceuticals and what is being said about the provincial pharmaceutical purchase plans. There could be increases of as much as 30% in the cost of drugs if all the protections afforded to the big pharmaceutical companies are extended.

So I would like to ask my colleague a question. In view of the fact that the minister was not even able to say how much this will cost Canadians all across the country and how much it will cost the medical plans in Quebec and elsewhere in Canada, is he worried about the government's lack of a response and lack of knowledge of

the details? Is he concerned as well about the price we will have to pay?

• (1920)

**Mr. Jean-Yves Laforest:** Mr. Chair, earlier I quoted the Government of Canada's chief negotiator who testified in June before the Standing Committee on International Trade. He mentioned at the time that one of the most important considerations for the Europeans, and something they focus on more than anything else, is intellectual property. This has been largely clarified since then.

It has become apparent that the Europeans want to go much further than the protection that is currently offered in Canada when it comes to pharmaceuticals. The Bloc Québécois believes that a balance must be struck between what generic drug companies are doing on the one hand and what companies launching new products are doing on the other. Checks and balances, and an enhanced assessment process, must be put in place in order to ensure that any move in a direction that benefits one group will not come at the expense of other companies, and cause them great angst, when new measures are adopted.

**Mr. André Bellavance:** Mr. Chair, my colleague from Saint-Maurice—Champlain raised a very important point when he said that in its negotiations, the Canadian government should listen to what the provinces and municipalities are calling for. I will quote a statement made by the Minister of International Trade that was published in the Canadian Press on August 20 and that my colleague knows well since he is the international trade critic. It is recent; we were starting to talk about negotiations. He had a rather haughty and dismissive attitude towards the provinces and Quebec.

With each round, the situation is different. Sometimes one province drags its feet and another is very ambitious, and vice versa. There is no sustained level of participation from the provinces, but there could be an improvement in some respects.

Regarding Quebec he said:

It is not so much a matter of blocking significant issues as it is a matter of tone and lack of ambition.

Not the greatest thing to hear from the Minister of International Trade. We are happy that Quebec is participating in the negotiations, but we know that Quebec often ends up out in the hall and not at the negotiating or decision-making table. For the good of the people of Quebec, I wonder if the member thinks it would not be better for Quebec to be there as a country, as a negotiator, so that it can defend its own interests instead of hearing the minister say such things about Quebec.

**Mr. Jean-Yves Laforest:** Mr. Chair, yes, that is for sure. After asking the negotiator some questions, we learned that there are 22 bargaining tables or areas under negotiation and the provinces are involved in only about 10 of them. The provinces are not involved at all in the negotiations on important subjects such as financial services. And yet very clearly each of the provinces has jurisdiction over financial services. But the provinces have been excluded from those bargaining tables, and that is completely unacceptable.

*Government Orders*

We are in the Supreme Court regarding the single securities commission, but in the meantime, the free trade negotiations are excluding the provinces de facto when these are subjects that affect them. I therefore agree entirely with my colleague: if Quebec were represented as a country, it could benefit a lot more and defend its interests a lot better, particularly when it comes to supply management, which is a subject that is really better defended by the province than by the Conservatives at present.

● (1925)

[English]

**Mr. Gerald Keddy:** Mr. Chair, I have a question for the hon. member. Since Quebec is at the table along with the other provinces, since the territories are involved in the discussions and negotiations and since we have the support of the municipalities to pursue this comprehensive economic agreement, why would he not trust his own negotiators to negotiate in good faith on behalf of Quebec and the other provinces?

[Translation]

**Mr. Jean-Yves Laforest:** Mr. Chair, I think the parliamentary secretary did not hear my comment in reply to the question from my colleague. I said that the provinces are not included in the negotiations as a whole.

My colleague from Richmond—Arthabaska told me that there are even situations in which the provinces end up out in the hall. Certainly we want to trust the negotiators, but our own negotiators, particularly for Quebec, who would be present at all of the bargaining tables and who could report exactly the same thing to us as Canada's negotiator hears at all the bargaining tables.

[English]

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, I am a little saddened to rise on this debate, though I know this is the first of what will be a debate that may last a year or two in our Parliament and in the European parliament as the negotiations go on.

I will talk about what the debate is not about and then I will talk about what is on the table. Thankfully, at each stage in the negotiating rounds, leaked documents have indicated exactly what will be debated and discussed at the negotiating table.

This is clearly not about any sort of functional trade policy. My colleague in the Liberal Party a little earlier said this was about trade and that the Liberals supported trade. All parties in the House support trade. Unfortunately, the Liberals have had a tendency to support a profoundly dysfunctional trade policy on behalf of the government.

Every time the Conservatives have done something that has been bad for the country, like the softwood lumber sellout that cost tens of thousands of jobs, ministers have risen in the House and said that this would give us billions of dollars in economic spinoff. Yet Canadians from coast to coast to coast have seen the results of the softwood lumber sellout, the cost of tens of thousands of jobs, particularly in my province of British Columbia and in my community. With the shipbuilding sellout, we have seen the loss of a key strategic industry that is protected by every other major industrialized economy, but not by the Canadian government. We have seen blatantly bad and dysfunctional trade policy at every step.

What does this mean? Again, when we talk about this agreement, it is not about improving family income, which has been sorely battered over the last 20 years. Through these agreements, family incomes have gone down in most cases. Middle income Canadians are earning much less than they were 20 years ago. Lower middle income Canadians are earning much less. The poorest Canadians are earning far less. This started under the Liberal government and it continues under the Conservatives.

Even *Maclean's*, which is certainly not a left-wing publication, said very clearly in its latest issue, "Generation Screwed. Lower incomes. Worse jobs. Higher taxes. Bleaker futures. What boomers are leaving their children". That is what we have seen from the government. Conservatives have sold out our manufacturing industries, 500,000 lost manufacturing jobs over the last few years as they have sold out various sectors. We talked about supply management, which has been the only stable agricultural sector over the last few years. They put it on the table. When we see what the government has done, we have farmers pleading to get back to 1994 levels in agricultural research funding from the government. Farmers are pleading for a modicum of some of the product promotion supports that our major competitors get. As an example, Meat & Livestock Australia has a budget in excess of \$100 million. What does Canada have? Just a few million dollars. It is clearly a dysfunctional trade policy.

What has been the result? We have seen the bilaterals. In every case we have signed these bilateral trade agreements, our exports to those markets go down in real terms. The minister will say that he will throw out oranges and pretend there is no devaluation of our dollar over time. In other words, let us use the dollar of today and then we can pretend exports have increased. I was unable to get this information from the department, because it does not compare apples to apples, so I had to get this from the Library of Parliament. One example is the trade agreement with Costa Rica. Before signature, we were exporting \$77 million worth of goods. Now, almost 10 years later, we are exporting \$73 million. It has gone down \$4 million in real terms. This is happening in case after case.

Therefore, it is not about jobs and it is not about exports. We have a cheerleading government that loves to sign these agreements no matter what the cost. It throws things on the table and ends up always being bested. With the EFTA agreement, Liechtenstein out negotiated us. When we look at every one of these agreements, the Conservative government is about the worst negotiator we have ever seen. That is why most Canadians are earning less. That is why our exports have gone down in markets after we have signed them. However, it is not about trade and it is not about agricultural policy.

● (1930)

What is on the table? What is this agreement about?

*Government Orders*

The only credible study was actually done by the economist Jim Stanford. He indicated a net loss of 150,000 jobs. I just want to read a brief excerpt, because this is important for those who are listening across the country. I have certainly gotten a lot of emails from people who are keenly interested in what is on the table. He referenced a botched model that was thrown out by the minister, one which the minister referenced, as they do with all the trade agreements, as having billions and billions of dollars of net benefits and then of course we see what the results are.

The department never does a post-signing analysis. We never actually even see an impact statement prior to it. It is difficult for Canadians to believe just how dysfunctional the government is on trade policy. It does not do the impact studies before. It does not do the analysis afterward. It does a lot of cheerleading. There is a lot of bluster, but when we look at all the facts that we are putting on the table, that the minister was not able to put on the table, we see a sorely lacking policy.

The comments are:

Only thanks to the idealized assumptions built into the model [...] could Canada hope to “snatch victory from defeat”: attaining aggregate economic gains despite such a marked deterioration in bilateral trade performance. The real-world experience of other free trade agreements implemented by Canada does not support the hope that a free trade agreement with the EU is the way to make that unbalanced relationship more beneficial for Canada.

We are not talking about the fantasy world of the Conservative Party. We are talking about the real world.

What is on the table? We have heard about supply management and certain of my colleagues have raised this issue. We have and will be talking about food sovereignty. My colleague from the B.C. Southern Interior will be referencing that a bit later in the debate. We have talked about the loss of jobs, about 150,000 net lost jobs. Let us talk about some of the other components within this agreement.

What has been tabled by the government, what is in the leaked documents, shows very clearly that we are looking at substantially enhanced patent protections for the extremely profitable pharmaceutical companies in Canada. We are looking at increases to our provincial drug plans, and to Canadians who depend upon those drugs to maintain their good health and often to survive, of up to 30%. I asked the minister just a few moments ago to respond to that. He had either no idea or wanted to hide those figures. He did not address the issue at all.

What else? We have the egregious investor-state provisions, and that is why Canada has one of the worst trade templates in the world. Investor-state provisions allow for an override of companies. Wherever they are, they can set up a mailbox, as we saw with AbitibiBowater, with Canadians taxpayers coughing up \$130 million in that case.

This is a Canadian company using NAFTA rules, these investor-state provisions, a hot button for corporate compensation, for anything they want. It does not go through the court system. It is done in a secret backroom and it is the Canadian taxpayer who pays the tab. In the case of AbitibiBowater, it is \$130 million, a Canadian company suing the Canadian government, but doing it by pretending, through a mailbox down in Delaware, that it was a company from somewhere else. It is open season.

I can say that from conversations I have had with European parliamentarians a few weeks ago, who fortunately will have the right to ratify or not to ratify this agreement, they are waking up to investor-state provisions and are extremely concerned.

There is the loss of public procurement. The government has done no study on the job losses that would result from that, but the Union of B.C. Municipalities and the Federation of Canadian Municipalities have all expressed concerns about this, and this investor-state override also has impacts on the environment and environmental protection.

What this means is that the corporate sector can say, “We do not like those environmental regulations. Either stop those environmental regulations or give us massive amounts of compensation”. In a secret backroom, they negotiated away from the public interest. It affects democratic rights. It affects our public services, our public health care, of course, which I mentioned earlier, and it is an increase in costs to all Canadians.

This agreement surely is not free, and the government has to come clean with what the impacts will be for ordinary Canadians.

• (1935)

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Chair, my colleague has said that these negotiations do nothing with respect to jobs. Yet this agreement is being done with the world's largest single market. It has a population of 500 million, and it has a GDP of more than \$19 trillion.

With all of this information with respect to these markets, the population, the GDP, how can this do anything but create jobs? I do not know how the member could possibly make that statement when negotiations are being arranged for all of these things. How can the member possibly say it would not create jobs? Of course it would create jobs.

**Mr. Peter Julian:** Mr. Chair, this is exactly the point I was making. I think the member for Dufferin—Caledon has illustrated it perfectly.

Conservatives do not read the trade agreements, they do not understand what is at stake and they do not do any impact studies. They just throw it up in the air and say, “Of course, this must create jobs”.

The Conservatives have absolutely no fundamentals and there is no due diligence that they have done to actually make the case. This is the essential problem in why Conservatives have a fundamentally dysfunctional trade policy.

There has been one credible study, and not a fantasyland study like the minister tried to commission, which was promptly rebutted. There is one credible study that shows a net loss of 150,000 jobs in Canada.

*Government Orders*

For those who are among the half million Canadians who have seen their manufacturing jobs lost, the idea that one can simply throw something in the air and say that it must be good is exactly the fundamental problem that so many Canadians are having with, and it is almost an oxymoron, the Conservative trade policy or their economic policy. The study shows 150,000 lost jobs. There is nothing credible on the Conservative side to show the contrary. It shows a 30% increase in drug costs, but there is nothing on the Conservative side to show, in any credible way, that they have even examined the issue.

It costs Canadians every time the Conservatives throw something up in the air, whether it is the softwood lumber sellout, the shipbuilding sellout, or this particular deal. The Conservatives have not done their homework, they have not done their due diligence, and that shows.

● (1940)

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Mr. Chair, my hon. colleague from Burnaby—New Westminster and I have served on the international trade committee for approximately five years and have travelled together quite frequently. He is a great orator and looks at life through a different set of lens, even though we are both from British Columbia.

One of the biggest economic benefits is the free trade agreements for our province. The fact is, we have been able to implement eight since our government took office in January 2006, and we continue to look at expanding markets.

The Minister of International Trade alluded to the economic impact of this Canada-EU trade agreement earlier. It is anticipated at \$12 billion, and that is *b* for billion. Jobs, hope and opportunity are definitely something we are looking at.

My hon. colleague stated, “All parties in the House support trade”. For the five years we have been on the trade committee, I have not seen him support a trade agreement. I would like to clarify which trade agreement he is referring to that his party supports.

**Mr. Peter Julian:** Mr. Chair, that is a very easy question to answer. I like the member from Kelowna—Lake Country so I will be gentle on him.

There is the Auto Pact, and we have been saying this all along. Managed trade, fair trade agreements, are what we support.

We have been offering a great deal of substantial feedback on each of the bills that have been brought forward by the Conservatives. We have been asking them to do the impact studies prior to. We have been asking them to do the due diligence afterwards. We have been putting forward fair trade suggestions. In fact, we will be tabling our fair trade legislation in the House soon.

As supporters of the Auto Pact, managed trade agreements and fair trade agreements, we are very strong supporters of trade when trade is fair. This is where most Canadians are coming from.

We had Conservatives in this House from British Columbia stand up and say that the softwood lumber sellout would be a great boon to B.C. industry with billions of dollars in benefits. It sounds very familiar given what we are hearing tonight. The result was tens of

thousands of lost jobs, devastating communities right across British Columbia. It simply was not true.

In fact, I remember a Conservative member from B.C., not the member from Kelowna—Lake Country, who was proud of the fact that he had not even bothered to read the agreement, but he was going to vote for it.

These are the kinds of destructive dysfunctional policies that we have to stop because they are hurting Canadians. When Conservatives do not do their due diligence, when they just throw stuff up in the air and hope that somehow it will land right, that hurts Canadians profoundly. They have to stop doing that.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Mr. Chair, I would like to thank my colleague for his profound statements. I recognize him as a true patriot, one who has lived in all parts of Canada and understands what these agreements can mean for the future of our country.

I will be speaking later so I just want to zero in with a couple of questions. One concerns a quotation in an article in the *Epoch Times* by the National Farmers Union. It says that it obtained a draft of the agreement that says that CETA would subject farmers to draconian property rights enforcement measures, including the virtual elimination of the age-old practice of saving, reusing and selling seeds from their crops. The article goes on to say:

Under provisions in CETA [Comprehensive Economic and Trade Agreement], using saved seed could result in a farmer's land, equipment, and crops being seized for alleged infringement of intellectual property rights attached to plant varieties owned by corporations such as Monsanto, Dow, Syngenta, and Bayer.

I would like him to comment on that.

Also, I am sure he is familiar with a document put out by the Council of Canadians entitled “Private water and CETA”. Maybe he could also comment on the fact that, according to this document, CETA will force municipalities and water utilities to consider privatization.

**Mr. Peter Julian:** Mr. Chair, the member is the foremost advocate in the House for small-scale farmers, for the supply managed sector and the Wheat Board. He is a real breath of fresh air on the agriculture committee and a very strong Canadian in the House of Commons. He reads the text diligently of everything that comes before us, which is why he is able to stand up and point to specific aspects of this deal that are clearly not in the public interest.

We are getting many emails tonight and we thank the folks who are watching the debate and sending emails. Please email the Liberal and Conservative MPs and tell them that they really have to read the lead text and understand what is going on at the table.

He has just mentioned two key aspects that are extremely important. The first, of course, is the issue of what the impact will be on farmers if they are not able to use their own seed. The impact on food sovereignty is enormous. I know the member will be speaking on this a little later.



*Government Orders*

Second, there is the issue of public services, water and health care being put on the table by the government, which is highly irresponsible. It has done absolutely no due diligence or homework, as we have seen. We asked questions of the minister and he was incapable of answering a single one of them. For Canadians waking up to what this represents in so many different areas, they have to be concerned about what the government is bringing forward. That is why it is important for folks to get informed.

●(1945)

**Mr. Brad Trost (Saskatoon—Humboldt, CPC):** Mr. Chair, it is my pleasure tonight to address the House on the issue of the Canada-EU trade agreement.

A lot of my colleagues are going to be fairly technical in what they talk about, but one of the things I have noticed in working in my constituency and on the international trade committee is that, with the fundamental case for trade, everyone gets out there and most people are in favour of it, but then they are not quite sure what free trade is or why it should be supported.

Tonight I am going to use the majority of my time to actually deal with the basic case for free trade, economics 101 or why we should have free trade; and then I am going to deal with a couple of specific issues that critics of trade agreements have raised.

I want to start with a quote from the esteemed economist, Adam Smith. In *Wealth of Nations*, he states:

In every country it always is, and must be, the interest of the great body of the people, to buy whatever they want of those who sell it cheapest. The proposition is so very manifest, that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question, had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind.

What we are doing tonight by arguing in favour of a Canada-European free trade agreement, arguing in favour of generalized free trade, is arguing for lower prices for consumers, a benefit often overlooked when we discuss trade agreements.

We discuss what the good is for agriculture exporters, what the good is for manufacturers, what the good is for specific interests. But our job, our duty as members of Parliament, is to stand up for the common good of the entire country. Every single Canadian, all 33 million plus of us, are consumers.

This is what free trade does. It helps to lower the cost of goods for Canadians. It helps us access the cheapest, best-quality products throughout the world without any encumbrances. So the reason that we fundamentally push hard for free trade is very simple: it helps bring down cost for consumers; it helps make more goods available at a better price.

The classic illustration that is sometimes given, very simply, is for sweaters. One can buy a sweater for \$30, and once a free trade agreement is implemented, all of a sudden the price drops to \$25. At this point, consumers can then spend the extra \$5; they can go and buy something else.

The opponents of free trade will argue, “What if that \$25 goes out to another country, outside of Canada? Does Canada not lose the \$25 that was spent on the sweater that was imported?”

Let us think about this for a moment. I take my \$25 Canadian, I pay a merchant for the item, and the \$25 gets shipped overseas. What does the English, French, or Japanese business, and so on, do with \$25 Canadian? The only thing they can do with Canadian dollars is, really, buy something that ends up coming back to Canada. It is intricate and it works back and forth. There are exchange markets, and so on, but fundamentally, what works for individuals works for countries.

Trade works, and as we lower the cost of goods and services for Canadians, our economy becomes more productive. We can produce more goods and services with less effort. That is the whole fundamental basis of trade. That is why we push for it.

One way of thinking about it is as an individual. Let us think of what an individual does, such as a farmer. A farmer who grows his crops does not make his combine and tractors. He does not manufacture them by hand. We know what the state of agriculture was 1,000 years ago when people were forced to make their own implements by hand. The farmer has specialized, and Canadian farmers are absolutely the best in the world at producing crops of canola, grain and things of that nature. However, they have specialized; and in just the same way, business has specialized and nations have specialized.

So the goal of trade is very simply this: to lower the cost and to increase the trade. At the end of the day, every export we send out brings back an import. Of course, if we do not pay for it, if we run up extensive debts, just as with an individual, there is a problem. If we actually pay our debts and do not spend all our time borrowing money that we have no intention of paying back someday, we will have balanced trade through tourism and other investments, things of that nature.

●(1950)

Free trade is the specialization of labour. It works. It raises the standard of living, and it brings an increase in productivity, which makes us wealthy.

Let me deal with particularly two elements of criticism that have come into this trade agreement from certain elements or special interests in this country and have been, in general, criticisms of trade agreements that we have had with others.

The first is the case for protection of foreign private property, a foreign investment. It has gone under various names and usually the critics will talk about investor states, and so on, but fundamentally what we are looking for is protection of foreign investment, the same protection that we ask for Canadian investors when they go abroad and put their money into another country. We do it, and most people think we do it to protect foreign investors. We actually do it to protect our own economy, and let me explain why.

*Government Orders*

I have a friend who is a very successful businessman, a very shrewd gentleman who lives in Calgary, Alberta. He started an oil sands company with some partners and sold it off to some American investors. The company had some technology. The technology was incredibly useful for another country in the world; in fact, it fit its needs for production of oil precisely. The country made him a very good offer and it could have been very profitable if he had been allowed to keep his profits in that country.

It is a country that has a known reputation for expropriating foreign assets in Latin America and he rather wisely decided that he was not going to invest his money in that country because it was dangerous and risky and the president there might expropriate. That did not damage him. He took his funds and invested them somewhere else and he is busy making money in the Alberta oil patch and in other international investments.

The country involved, whose oil production is plummeting, lost because of that technology. If it had had investor provisions for foreign investors, that country would have gained. It is for the same reason that we must insist that foreigners have investment protection in Canada, that the rule of law be respected. That does not mean that foreign investors can have special privileges; it means that they receive the same treatment under the rule of law as Canadians would.

The protection of private property, which is going to be included, or should be included in all Canadian trade agreements, is very important because it protects our economy and helps us to grow. It is for our interest that we do this and not just for the foreign investors.

The other thing I wish to deal with and note tonight is some criticisms that we are opening up our government-level procurement at the municipal and provincial levels. This is again in our interest. Just as I stated earlier, it is in the interest of all Canadians to have lower costs so that we can then go out and make more purchases with the money we have saved. That applies, too, for government. It allows us to lower taxes and to grow the economy in general.

It is very interesting to note that as Canadians we get very upset when our companies are denied the ability to enter into contracts with local procurement in other states. I think of a situation that has recently been in the news, of Franklin, Ohio, which denied a Canadian company the ability to win a furniture contract. As the lowest bidder, the company would have done it and it would have benefited. So we must look to have the same protections for others as we seek for ourselves, for the same reason that free trade is good.

Let me restate. Free trade is good. We do it to raise the standard of living, which has been proven over again with the Canada-U.S. trade agreement, the NAFTA and throughout history. Trading nations are prosperous nations. This is a good agreement, and we should back it.

•(1955)

**Ms. Martha Hall Findlay (Willowdale, Lib.):** Mr. Chair, I would like to ask the member opposite a question.

He knows very well that the Liberals are very supportive of this agreement, but there have been some legitimate concerns raised, partly because people are not necessarily sure of the details of what is being negotiated. We hear issues raised in the media, and I am hoping that the member opposite can speak to two specific issues.

Where are we in the negotiations in terms of water and water services, particularly at the municipal level? That is an issue that has been raised, and if he could add some specifics as to what may be being negotiated, that would be very helpful.

As well, on the larger procurement side, we know that public procurement is on the table. We also recognize that there are Canadian enterprises that are poised to take advantage of those opportunities in member countries of the European Union, but there have been legitimate concerns raised about how far we will go in offering up public procurement at different levels of government here in Canada, where there may be some concerns about local jobs and concerns about flexibility.

I am hoping the member opposite can answer both of those questions.

**Mr. Brad Trost:** Mr. Chair, I am afraid I will not be able to answer them in quite as great detail as my colleague would like. Partly that is because negotiations are still going on. I am sure, from what I see, the minister would be very willing to do that. However, let me first deal with the point about water.

One of the things we need to understand is that it does not matter if it is Canadian investors, foreign investors, or people interested in utilities, bottled water, and so on, our environmental laws will remain the same. There will not be special protections under environmental provisions for foreign investors or discrimination one way or the other. So our laws on that will be permitted.

As to what specific water services are being negotiated or not negotiated, I am afraid I cannot give any particular detail in that respect. One thing I can say is that we should remember that water is often included as a natural resource and will be the territory of the provinces. The other thing we should note is Canada's long-standing position that water is a natural state and is not considered a good or product and therefore will continue to remain outside Canada's trade agreements.

In regard to procurement and those issues, government procurement, including at the sub-federal level, is one of the areas of negotiation, but the details are still to be negotiated and we are going to look for benefits that go both ways.

What levels and what thresholds we end up going with and what carve-outs there will be still has to be negotiated, but based on our recent experience with the United States at that level, both Canada and the European Union will be seeking those elements.

As one can appreciate, I cannot give full details as much as my hon. colleague would like—

**The Assistant Deputy Chair:** Order, order.

Questions and comments, the hon. member for British Columbia Southern Interior.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Mr. Chair, I have a couple of questions for my hon. colleague.

*Government Orders*

First, I wonder if he is familiar with a document entitled “Municipal Procurement Implications of the Proposed Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union”. This is a legal opinion prepared by Steven Shrybman of Sack Goldblatt Mitchell LLP for the Centre for Civic Governance at Columbia Institute. If he is familiar with it, does he have any comments; and if he is not, would he be willing to receive a copy? I have an extra copy here that I could give him.

Secondly, in previous free trade agreements, NAFTA and the FTA, municipal procurement was really not on the table when it came to subnational governments. We first saw this with the Canada-U.S. procurement agreement that was signed last year. We found out that municipal procurement was on the table and that somehow we were at the short end of this, because we were dealing with the powerful United States.

The EU has made a specific request for full access to public procurement in cities across Canada, including the right of European multinational corporations to bid on core municipal services.

As a representative who has folks living in Humboldt, where the hon. member comes from, I wonder how the folks in Humboldt would feel if a new rec centre was going to be built or new additions made to the arena and they wanted to provide local jobs, yet they were not able to do that because a big multinational came in and outbid them. What would be his reaction to that?

• (2000)

**Mr. Brad Trost:** Mr. Chair, with regard to the legal opinion he has, no, I have not seen it. I am not a lawyer. If he can send it to my office, I would not mind reading it.

My point about local procurement is the same one generalized. Lower costs help all Canadians. As has been pointed out, we are not going to be importing construction workers from overseas to Humboldt to build a local stadium. Local workers will be used, be they from Humboldt, Leroy, Watson or Saskatoon. Lower costs help all Canadians. They increase productivity, which increases wealth. That is true when it comes to procurement, as it is to anything else.

The example I gave about the county of Franklin, Ohio, refusing Canadian furniture because it wanted to pay more to a local supplier is going to hurt Franklin County and it is going to hurt the furniture dealer in Toronto. That is the sort of thing we are trying to stop, so that Canadian companies can bid around the world and Canadians can gain both on lower costs and greater exports.

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Mr. Chair, I thank the hon. member for his comments and, in particular, his discussion on a rules-based dispute mechanism. The word “egregious” was used in the House earlier by a member from the NDP, and I can say there have been no more outrageous and misleading statements than the ones about a dispute mechanism. I very much appreciate how the member broke that down to its lowest common denominator and explained it, because there has been a lot of misinformation. These debates seem to become the realm of misinformation.

I would like his comments on the problem that we ran into at the WTO where we failed to sign wide-ranging, multilateral trade

agreements, where we had become stalled and stymied at the WTO and, therefore, forced into looking for bilateral agreements.

**Mr. Brad Trost:** Mr. Chair, the hon. member summed it up in his question. Trade agreements were stalled at the WTO. This was a part of our economic and foreign policies. Our government took initiative. Rather than sitting around, the Minister of International Trade and the Minister of Foreign Affairs went there to break down barriers to help Canadians access cheaper goods and break into markets and to help Canadian exporters get our world-class products out there.

We have seen that with the trade agreement with Colombia that is about to come into force and with the European Free Trade Association. We are reaching out to places like Ukraine and India. We are going across the world. The ministers who have taken the initiative and the government members who helped craft the strategy need to be commended.

Canada is a trading nation. We are on three oceans. People have immigrated to our country from all over the world. We are in a great position to take advantage of our natural resources to expand our markets throughout the world. It is an important part of our economic strategy.

**Ms. Martha Hall Findlay (Willowdale, Lib.):** Mr. Chair, I rise to speak today in support of the negotiations for a comprehensive economic and trade agreement, a CETA, between Canada and the European Union.

• (2005)

[*Translation*]

Dialogue on CETA began in 2009 and the fifth round of negotiations concluded recently here in Ottawa. According to all stakeholders, the meetings went very smoothly and more quickly than expected, and we hope that CETA will be complete by 2011.

[*English*]

Comprising 27 member states, with a total population of nearly 500 million, the European Union is the world's largest single market, foreign investor and trader. As an integrated bloc, the EU represents Canada's second largest trading partner in goods and services.

[*Translation*]

Before discussing the details of CETA, I should point out that we in the Liberal party want multilateral WTO-led trade negotiations to continue, and we want Canada to push harder in promoting multilateralism. We do, however, recognize the practical constraints and difficulties inherent in this. Therefore, if it is impossible to move ahead with multilateral agreements for the time being, we encourage Canada to focus on bilateral agreements, which will enable us to increase our trade with other countries. It is our belief that if the details of these bilateral agreements are properly worked out, that they will not be an impediment to the adoption of future multilateral agreements.

*Government Orders**[English]*

Canada is a nation that supports free trade, indeed one that was founded on trade. Our origins are those of a trading nation, starting with fur, wood and minerals. We have only moved forward from there.

Trade accounts for a significantly greater portion of our overall economic activity than many other nations. Indeed, 80% of our economy and millions of Canadian jobs depend on trade and our ability to access foreign markets.

There are always those on both sides who will advocate for the protection of certain sectors or industries. Some of that is based on some very valid concerns. However, increasingly the idea of protectionism does not recognize global realities. The Liberal Party has in fact called for Canada to embrace and build on the concept of global networks.

This CETA is indeed far more comprehensive than any traditional free trade agreement. It promises so much more. It offers a more comprehensive arrangement, even, than NAFTA. This is critical because trade as we speak of it is now so much more than just the exchange of goods.

The Conference Board of Canada refers to this as integrative trade, the combination of services trade, global and regional value chains, investment and sales by foreign affiliates, flows of people, knowledge and technologies, electronic trade in goods and services, and the linkages between goods and services.

From the Conference Board of Canada:

Instead of asking where to create an entire product or service, businesses now ask where is the best place to locate each unique activity, business function or task: design, engineering, manufacturing, marketing, after-sales service, etc.

Value can be added at each stage of the value chain, and services are integral to the effective functioning of the entire value chain itself. People and the movement of people, knowledge and ideas are in turn integral to the whole.

We Canadians are awfully proud of RIM, the makers of the BlackBerry. It is an excellent example of a globally integrated product. Its hundreds of parts come from all over the world. Again, quoting from the Conference Board of Canada:

Research in Motion's Waterloo factory specializes in new product introduction. This includes building and testing prototypes and scaling up manufacturing of new models ready for market. Then, to reduce manufacturing costs, the company outsources manufacturing to partners in Hungary and Mexico. The company's partners then sell Hungarian-made BlackBerrys to customers in Europe and Asia, and Mexican-made ones in the Americas. Along with the physical BlackBerry, consumers worldwide buy related contracts for data and voice service. As a result, RIM receives service revenues from the wireless carriers—translating into a “meaningful portion” of RIM's revenue. The company also has one physical store in the US, and it provides global after-sales technical support from Canada (Halifax).

This is an example of the foundation of the Liberal Party's emphasis on global networks, that we should increase exchange and co-operation in areas such as financial services; transportation and logistics; higher education, research and development; energy, natural resources and sustainability; health care and health promotion; innovations and best practices; food safety and security; culture, entertainment and tourism; immigration; and so importantly, labour mobility, the exchange of people, knowledge and ideas.

The future of Canada in this competitive world must embrace the new global realities. Our future is not just trade in goods. It is trade in goods, services and services linked to goods, as well as in the value chains associated with all of those together.

Our future is not just in exports across borders to end users. It is in those highly integrated value chains of exports and imports that can cross borders, sometimes many times.

Our future is not just selling products across borders to foreign markets. It lies in finding where we can best contribute in the various value chains, where we in Canada can benefit from other inputs from elsewhere and in embracing the opportunities presented by both.

CETA is good for Canada, because it will allow a much greater level of exchange not only of goods but of services, people, knowledge and ideas. It will allow Canadian enterprises to diversify beyond the United States, upon which we are much too dependent and whose long-term economic strength is questionable.

We must diversify.

● (2010)

There will be challenges, and Canada does need to watch for areas of particular concern to Canadians.

Canadian agriculture and agrifood enterprises, farmers and processors, stand to gain a great deal from increased access to such a large market, but there is major public opinion in Europe against genetically modified organisms, GMOs, much of which is not based in science but is nonetheless very emotional. Canada needs to work at educating the Europeans on this issue.

Public procurement may be contentious, and we must be willing to have a full debate on the pros and cons of opening or keeping closed public procurement at different levels of government. There are legitimate concerns in this area.

*[Translation]*

As far as the arts and culture are concerned, there needs to be a focus on the debate pitting protectionism against expansionism. There will be a debate on the breadth and scope of future developments in this area.

*[English]*

We have to be careful.

*[Translation]*

Intellectual property protection—copyright, infringements and patents, specifically in relation to medicines and the life sciences—is already a focus of debate, and Canada is being told that its credentials are not sufficiently solid in this regard.

*[English]*

It is a rare occasion when different parties in this House agree on something. The pursuit of a CETA with the EU is one of those.

*Government Orders*

We Liberals will continue to be vigilant to ensure that the government does not bargain away too much and that we do not sacrifice some of the things that we Canadians hold dear. We will also hold the government to account in terms of ensuring that full advantage is taken of this deal. We offer to work together to see that the agricultural sectors, SMEs in all sectors, arts and cultural sectors and other Canadian enterprises get the help they need to take full advantage of what a CETA with the EU can offer.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Mr. Chair, I have a couple of questions.

I think the member mentioned that outsourcing can be a good thing. I wonder if she could clarify that.

Also, I will ask the hon. member the same question that I asked my colleague from Saskatoon—Humboldt. Has the member read this document, the legal opinion? If so, does she have any comments? If not, would she like a copy? I can give her one.

In regard to agriculture, there are a couple of concerns that some people have, and I would like her opinion on this.

We know that supply management is one of the pillars of Canadian agriculture. Supposedly it is not on the table, but it is on the table, as we were told at the agriculture committee. Everything is basically on the table.

We know that if there is any modification in the quotas, or the over-quota tariffs, each dairy farmer in Canada stands to lose around \$70,000. There is some concern by the Dairy Farmers of Canada that at the last minute Europe is going to say, “Okay, everything is fine, but we will throw cheese on the table; if you accept European cheese, we are okay with it”. That, of course, would be devastating for the dairy farmers.

The other concern that some people have is in regard to the Canadian Wheat Board. The government's loan and initial payment guarantees for the CWB will not be permitted according to article x3 on page 267 of the agreed European text. The loss of the government's loan guarantee alone could cost farmers an estimated \$107 million a year.

I wonder if the member could comment on those points.

• (2015)

**Ms. Martha Hall Findlay:** Mr. Chair, I will do my best to answer all four questions.

I would love to see a copy of the legal opinion to which he refers and I look forward to reading that.

Outsourcing is a good thing. This is an opportunity for Canadian companies to become even more globally competitive. I do not see Canada as being a destination for low cost labour. We want Canadian jobs but we want good Canadian jobs and we want to ensure those Canadian companies are able to participate in the global environment.

If there is another country that has a specific type of opportunity that Canada does not offer, then, yes, outsourcing where it makes a Canadian company with those revenues that come to Canada and which also employs other Canadians so they benefit from the success of that company. The short answer is that there are a number of cases

where outsourcing is important. I understand the concern for Canadian jobs but ultimately successful Canadian businesses enhance the opportunity for Canadian jobs and, if a certain amount of outsourcing is part of that game plan, then it is a good idea.

I would also like to address the question about supply management. The position of the Liberal Party is clear. The position of the Conservative Party is clear. All parties in the House have made it very clear that they support supply management. Yes, I believe it is on the table. I was never told that it was not. We need to understand that the European Union lives in its own glass house in terms of agricultural subsidies and in terms of other support for certain agricultural sectors. We also know that it will be a little bit difficult for anyone at that table to point too many fingers. I will also say that there are a number of agricultural sectors in Canada, such as beef, pork and some of the other crops, that do not participate in supply management and—

**The Chair:** Order, please. I hate to interrupt the member but there are other members who would like to ask questions and comments.

The hon. Parliamentary Secretary to the Minister of International Trade.

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Mr. Chair, I thank the hon. member for her intervention and for her support of this agreement, understanding that there is a way to go yet before we get to the end of the negotiations. However, the principles of the negotiations are what are important.

My question is straightforward. Before the advent of our softwood lumber agreement and before the advent of NAFTA, Nova Scotia, the part of the world in Canada that I am from, used to export \$900 million worth of softwood lumber, dimensional lumber to Europe. When the EU was formed, we were shut out of Europe on a phytosanitary certificate concerning pine wood nematode. Instead of exporting to the east, we simply started exporting south. When the barriers started to be put up by the Americans, we got around those because we did not fall under countervail because much of our land is privately owned. However, we still lost our market in the EU.

That is an example of where a part of the country needed an additional marketplace but not one was available to it and we suffered directly because of that, even though we managed to settle our differences with the Americans.

**Ms. Martha Hall Findlay:** Mr. Chair, we could engage in a much longer debate about softwood lumber between Canada and the United States, but for the purposes of the discussions with the European Union, I take the point as a very valid one and it is an excellent example of our need to diversify our markets.

*Government Orders*

My colleague also mentioned phytosanitary issues. We know that is also a question for some of our Canadian agriculture and agri-food sectors as a non-tariff barrier. It is one of the examples of why the CIDA negotiations with Europe are very interesting. It is because they are not just the trade in goods. These discussions are comprehensive and they are there specifically to address some of these issues like the non-tariff barriers and these regulatory aspects that have created challenges for some of our producers. I am very pleased to see that. I know my colleague is also very pleased to see that those issues are top of mind. Among the Canadian negotiators, they know full well these are of a concern to us.

The European Union provides an extraordinary market for a large number of Canadian farmers and people involved in the agri-food business. I thank my hon. colleague for raising this issue. It is one on which we do agree.

• (2020)

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, I like the member for Willowdale but I must admit that I am very surprised that she is becoming a champion for outsourcing. That is something that even the Conservatives will not stand up and champion in the House.

We referenced earlier the loss of half a million manufacturing jobs over the last few years and lower family incomes for everyone except corporate CEOs and corporate lobbyists. There is a fundamental problem.

When we look at *Maclean's*, it says, "Generation Screwed. Lower incomes. Worse jobs. Bleaker futures". It is exactly this manic support for outsourcing that contributes to it. I think we have the Liberals out-conservating the Conservatives on that issue. It is certainly not, in my opinion, in the public interest.

We now have income inequality that is as bad as it was in the 1920s. This is an economic catastrophe. Most Canadians are feeling it. I certainly hope the Liberal Party is not saying that outsourcing is just a great thing. It sounded like that was what was being said. I hope the member will correct that for the record.

The member was asked a question about the Canadian Wheat Board a few moments ago but I do not think she had a chance to answer. I hope she will answer on that—

**The Chair:** Order, please. In order to ensure that the member for Willowdale has time to answer, I need to stop the member. The hon. member for Willowdale.

**Ms. Martha Hall Findlay:** Mr. Chair, I appreciate that my colleague likes me. I must say that we do enjoy a very cordial relationship and one that is quite productive on the international trade committee and in our various negotiations. I hope my colleague appreciates the sentiment in return. We can accomplish much more in the House when we work together than when we engage in ultra hyper-partisan activities. Therefore, I thank him for the gesture.

I can see, however, that there is an opportunity to take my comments out of context. I will just elaborate on my concerns. We are concerned in Canada that we are seeing jobs that tend to be the lower paid and not necessarily the most effective and good strong jobs for Canadians living in Canada. That is something that we want to avoid.

My focus is on encouraging the success Canadian enterprises that have those higher paid jobs and that focus on those areas where Canada has a comparative advantage. We need to understand that in a global environment we are not all the same and we are not all going to compete for the same types of jobs and the same level of pay scale—

**The Chair:** Order, please. I need to stop the member there so we can allow for everyone who is on the Speaker's list an opportunity to talk.

Resuming debate, the hon. member for Kelowna—Lake Country.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Mr. Chair, it is a pleasure to be a member of the Standing Committee on International Trade. I am pleased to have the opportunity this evening to speak to culture related issues within the context of the Canada-EU comprehensive economic trade agreement negotiations.

Several members of our committee, who are in the House this evening, had an opportunity to travel to the EU just recently to discuss with our colleagues in the European parliament some of the opportunities and challenges from both perspectives. It was a fruitful discussion and I look forward to the discussions moving forward into 2011 and to coming to an agreement, hopefully, by the latter part of 2011 as we move forward with this economic and trade agreement.

The Government of Canada is committed to supporting the vital diversity of Canadian creation. Arts and culture improve our quality of life, strengthen our connections to one another and provide us with valuable and often unique insights into who we are as a nation.

Let us look at Canada's cultural sector and the economy. Arts and culture not only enrich us as people but also contribute directly to our collective prosperity. Each one of us has a special spot for arts and culture. We support the arts and culture in various ways. Canada's economic action plan, which was announced in 2009, is a testament to the important role arts and culture play in our country's economy.

As a trade and economic sector, it also makes important and significant contributions to Canada's gross domestic product. The arts and culture sector had an estimated direct economic impact of \$46 billion on Canada's gross domestic product in 2007, or 3.8% of Canada's GDP.

Additionally, its various industries employ more than 630,000 people, with the equivalent of 46,000 full-time jobs accounted for through volunteer labour. Many fledgling part-time musicians and artisans are not included in that but they also help contribute in a variety of ways to the quality of life within a community.

The cultural sector is one of the few industries that is found in all regions of Canada in both cities and rural communities. Talent and investment are drawn to the areas where culture flourishes.

*Government Orders*

The cultural landscape, however, is changing. With anything in the world now just a mouse click away, competition for audience attention increases exponentially. In Canada, competitive pressures are intensified by the relatively small size of our domestic market, which can make cultural production costly and complex.

Canadians value access to cultural products that reflect their own voices but we are also extremely open to what the world has to offer. For instance, in 2009, foreign productions accounted for 97% of box office revenues, 74% of music albums sold in Canada and 59% of conventional private television programming. Those examples are demonstrative of the sector as a whole and represent an unparalleled openness to foreign content.

We are proud that as a government we can help ensure that Canadians can continue to enjoy these benefits by fostering strong, vibrant and economically sustainable arts and cultural industries throughout this country.

What this means, however, is that we need to work hard to ensure Canadians have access to Canadian culture. Our government has committed more than a billion dollars over five years in new and renewed investments for arts, culture, heritage and tourism.

Culture has been strongly supported under Canada's economic action plan with investments of approximately \$335 million in support of arts and culture.

I have the honour of representing the beautiful riding of Kelowna—Lake Country. Our economic action plan invested significantly in the Laurel Packinghouse, which is B.C.'s oldest packing house and located in the heart of our cultural district. I know the citizens of Kelowna are very appreciative of the economic action plan and our investment in retaining and enhancing the cultural district of our community.

I would now like to look at Canada's international cultural priorities. Canada is also active internationally in the field of culture through its bilateral and multilateral cultural agreements. A clear indication of this dynamism is reflected in the fact that Canada is signatory to audiovisual co-production treaties with 53 countries and has signed memoranda of understanding that foster cultural exchanges with key trading partners, such as China, India and Colombia.

Canada has been a leader in the development and implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. My hon. Bloc colleague mentioned earlier that Canada became the first country to formally accept the UNESCO convention, which now acts as a benchmark in cultural affairs at the international level.

• (2025)

The preservation of policy flexibility to fulfill cultural policy objectives in the context of progressive liberalization through bilateral, regional and multilateral trade negotiations is an ongoing international challenge.

The UNESCO convention that the EU has also championed calls for countries to respect the need for policy flexibility to promote the cultural objectives. A key goal for Canada in all trade negotiations is to maintain flexibility to pursue our cultural policy objectives. This

has been a long-standing and established element of Canada's trade policy.

Canada has traditionally managed requests for freer trade in the cultural sector by not listing any World Trade Organization services commitments under the General Agreement on Trade and Services with respect to Canadian cultural policies or measures. In the case of the Canada-U.S. Free Trade Agreement, the North American Free Trade Agreement, or any other bilateral free trade agreements, Canada has negotiated proper cultural exemptions.

I would now like to talk specifically about culture, Canada and the European Union.

The European Union, itself a single market with half a billion citizens across 27 countries, speaking 23 languages officially, has been a long-standing partner in recognizing culture's space and special place in the economy and society. A big part of the union is the fact of the dynamic and diverse culture.

We have worked hard together, as early as the Uruguay round of negotiations on the General Agreement on Tariffs and Trade, which concluded in 1989, to ensure that countries could maintain the policy space required to address their domestic cultural priorities.

As I have just mentioned, Canada and the European Union have also been leaders and worked closely together in the development and promotion of the UNESCO convention. Canada and the EU both share an ongoing commitment to the principles of the UNESCO convention, such as the need to maintain the policy space necessary to pursue cultural priorities and to foster cultural exchanges that promote the diversity of cultural expressions.

With respect to culture in the free trade negotiations with the European Union, the government remains committed to defending Canada's cultural interest and will exempt these areas from trade obligations. We believe that the EU will understand our need to take this approach as it has demonstrated a long-standing respect for the needs of countries to have the capacity to develop and implement cultural policy policies.

A number of European Union countries themselves have developed their own array of cultural support mechanisms which they value as well. The great part of visiting Europe is the history, the culture and the way of life. Although our respective approaches to culture and trade might differ somewhat, Canada and the EU share their commitment to cultural diversity. Our government remains strongly committed to protecting Canada's cultural policies during our negotiations with the European Union.

*Government Orders*

A closer economic partnership agreement, such as the prospective free trade agreement with the European Union, would complement the objectives of the UNESCO convention. Canada believes that support for culture is consistent with its ongoing commitment to freer trade. Any trade agreement we conclude with the EU will therefore preserve our respective abilities to pursue domestic cultural policy objectives.

This has not deterred the usual critics of free trade from wrongly suggesting that any agreement would lead to irreparable harm to Canadian culture. That is not true. This never happened under our free trade agreements with the United States, our closest neighbour and trading partner, and it would not happen with the cultural diversity represented by the European Union.

During the course of the negotiations with the European Union, the Government of Canada will continue to work with the provincial and territorial governments toward an outcome that would ensure that Canada's and the European Union's ability to pursue domestic cultural policy objectives related to cultural industries would remain unimpaired.

I urge all members of the House to ignore the false and silly claims about the effect free trade has on Canadian culture. I encourage all members to get behind our Conservative government's ambitious free trade negotiations with the European Union and the jobs and economic benefits which will result for all Canadians.

• (2030)

[Translation]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Chair, my question is for the Conservative member who just spoke to us about cultural diversity.

Canada and the European Union were the first countries to sign the UNESCO convention on cultural diversity. Would it not make sense for them to start by setting an example by agreeing to completely exempt culture from the trade agreement, as is set out in the convention on cultural diversity, and to include in the agreement's preamble a reference to the fact that the UNESCO convention is a legal framework for the cultural exemption? My question is for the member who just spoke.

[English]

**Mr. Ron Cannan:** Mr. Chair, as I said, with respect to culture in the Canada-EU free trade negotiations, the government remains committed to defending Canada's cultural interest and will exempt these areas from trade obligation. We are clear about that, respecting the fact that we have two official languages in Canada and the European Union has 27 countries with 23 different languages.

I want to share a brief comment with the members. I had the opportunity to meet with members of the European Union trade committee. One of those gentleman was a great supporter of Quebec, Peter Stastny, from the Quebec Nordiques. He was elected in 2004 and was a great ambassador for Canada at our meetings. He talked about his support for the Canada-EU trade agreement. He was supporting culture. When he was in Quebec, he learned French and English. As a rookie, he was a top scorer in the NHL, actually ahead of Wayne Gretzky, which is a little trivia.

However, we support arts, culture and sports. There are so many ways we could work together and this Canada-EU trade agreement will just enhance that 100%.

• (2035)

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Mr. Chair, as you probably know, my colleague's riding and my riding border on each other. We have worked together on issues, namely the passport office, which he was able to get in his community. I thank him for that. I also thank him for initially supporting my Bill C-474. I hope when it comes up for third reading, he will once again come forward and support this important bill.

I would like to ask him the same question I asked another colleague. If he is not familiar with this document prepared by Steven Shrybman and if he would like to have a copy, I am willing to give him one this evening. If he is familiar, I would like to get his comments on it.

He talked about culture, but I will zero in on agriculture. The hon. member represents a number of folks in the agriculture industry. I would like his comments on the effect that our other trade agreements have had on the fruit growers in his area. Before NAFTA, we had in-season tariffs and we were able to protect fruit growers. After NAFTA, there has been this free flow of fruit and vegetables across the border and many apple growers and other soft fruit growers have been hit, because of NAFTA, by the dumping of fruit that is being sold below the cost of production.

We were there together when the agriculture committee visited Kelowna, and he understands this. What are his comments on that and will this transform itself? Is this something we can expect from the European trade agreement, another free flow of goods so other sectors of the agriculture community will be hit?

**Mr. Ron Cannan:** Mr. Chair, I thank my hon. colleague from British Columbia Southern Interior, my neighbour, for his support, working with numerous colleagues over the years to build a business case for our passport office, which is very welcome for British Columbia Southern Interior.

Also, my colleague from the B.C. Okanagan—Coquihalla area has worked together with the Minister of Agriculture. Just a few weeks ago, we had an agriculture round table with the provincial minister of agriculture, working on ways that we could expand the market. Folks from the cattle producers, the B.C. fruit industry and the wine industry embraced this trade agreement in the sense that we could look at opening markets for our products. The cherries have gone to Asia. They are looking at the possibility of Europe as well.



*Government Orders*

With the WTO challenge, if there is an anti-dumping situation, there is a mechanism in place. We talked about that. We are working with the industry to help them collect that information. We are always there for Joe Sardinha and BC Fruit Growers. They have worked really hard, and I appreciate their efforts.

Also within the wine industry, this agreement could provide some clarity with regard to the labelling, especially for ice wine, and removing some of the regulations and the red tape so we can increase market opportunities abroad.

I would appreciate the hon. member's support on this committee to get this agreement through for the betterment of our farmers, not only for British Columbia but all across Canada.

**Mr. Brad Trost (Saskatoon—Humboldt, CPC):** Mr. Chair, I would like to follow up with a question on agriculture for my good colleague from Kelowna.

People watching tonight may not know that the European Union consumes eight million tonnes of beef annually. Yet Canada and the United States together share an 11,500 tonne quota to export beef into the European Union.

Could the hon. member comment about the opportunities of Canadian beef into an eight million tonne market, particularly if we get this trade agreement done without a trade agreement between the European Union and the United States? Could the hon. member comment on the opportunities for Canadian beef, Canadian livestock in Europe and what the potential would be for Canadian livestock producers, cattlemen, ranchers, farmers?

• (2040)

**Mr. Ron Cannan:** Mr. Chair, since my hon. colleague comes from the Prairies, he knows the value of agriculture not only for western Canada, but for all of Canada.

I recently met with the folks in the Canadian agriculture and agrifood industry. They are very excited about this agreement. The next round of talks is in January in Brussels. They will be there, working with the rest of the agriculture community, to ensure this agreement goes through.

The fact is there is the potential of half a billion new individuals. We recently announced hormone-free beef, which is a small segment. There is great potential for the cattle industry to move in that direction. Overall, there are several billions of dollars available with opportunity identified in the economic study that was recently done, for a total of \$12 million of potential growth for economic development in gross domestic product with this agreement.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, I want to come back to two aspects of culture and sovereignty. The first is our whole cultural broadcasting communication services have been put on the table, which means the Canadian content will be reduced. Surely there will be impacts on our cultural sovereignty. I do not think there is any way of denying the fact that the government has very clearly put our cultural sovereignty, as with many other aspects of what has been very clearly botched negotiations, right on the table.

The other aspect is our indigenous peoples and first nations. The investor state override has a profound impact on first nations Canadians. A number of organizations have expressed clear alarm

about the CETA negotiations and the investor state override and how that will impact on aboriginal peoples in Canada.

There are two very clear examples of impacts on Canada's cultural sovereignty in the agreement. How does the member respond?

**Mr. Ron Cannan:** Mr. Chair, I will take the second question first.

With regard to any impacts on Canada's aboriginal people, as with all international trade agreements, Canada maintains a number of reservations to preserve the government's ability to regulate in the areas of aboriginal and minority affairs. These reservations allow Canada to reserve the right to deny foreign investor or service providers any rights or preferences provided to aboriginals, as well as socially or economically disadvantaged minorities. Aboriginals are protected.

With regard to telecommunication, Canada currently limits market access to foreign providers of telecommunication. Nothing is going to change there. This chapter contains provisions to ensure the regulatory framework is supportive and there is competitive supply of telecommunications services.

Lastly, whether it is Celine Dion, Bryan Adams or Michael Bublé, we have some great Canadian talent and culture that we want to share around the world.

[*Translation*]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Chair, on Thursday, November 10, 2005, Quebec became the first government in the world to approve UNESCO's convention to defend and promote culture. The Convention on the Protection and Promotion of the Diversity of Cultural Expressions was adopted at the 33rd UNESCO General Conference held on October 20, 2003.

By so doing, Quebec hoped to ensure the right of governments to adopt policies and measures to promote and preserve their culture. Quebec wanted to maintain full authority to intervene to support its culture through its cultural policies.

Quebec refused to make liberalization commitments and wanted to have recourse to the reserves needed to preserve its policies any time issues were raised that could affect its ability to support its culture during trade negotiations—whether through the WTO, the FTAA, bilateral agreements or others—or during trade and investment liberalization.

Finally, Quebec made a significant contribution to the 2005 campaign in favour of adopting UNESCO's Convention on the Protection and Promotion of the Diversity of Cultural Expressions. In passing, I would like to congratulate three great Quebecers, Louise Beaudoin, Pierre Curzi and Robert Pilon, for their hard work and dedication.

The Quebec Liberal minister, Claude Bécharde used to say, and I quote:

### *Government Orders*

The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions is just what we need. That is what he said in 2005. It will be a reference tool for states facing pressure to liberalize their cultural sectors and help legitimize their cultural policies on the international stage.

That is the situation today. I think that it is an excellent quote in these circumstances. “It will be a reference tool for states facing pressure to liberalize their cultural sectors.” When I hear a speech like the one by the member for Kelowna—Lake Country, I am not convinced that our culture is being protected in the current free trade negotiations with the European Union.

While Canada and the European Union were the first to promote and sign a treaty on cultural diversity, I find it worrying that it is not already written in the first paragraph of their negotiations so that they can move on to something else. I understood what the member for Kelowna—Lake Country said, which is that culture is currently on the table.

The response from the Minister of International Trade is also worrying because she was just as vague and implied that there is a lot of room to manoeuvre and a lot of flexibility. But there should not be. The UNESCO convention on the diversity of cultural expressions signed by Canada and the European Union should have been in the first paragraph. It should have already been signed so that they could move on, but this aspect of the negotiation was left in play.

The Convention on the Protection and Promotion of the Diversity of Cultural Expressions was passed by UNESCO in October 2003. Canada, taking its lead from Quebec, helped campaign in favour of adopting the convention. Canada and the European Union were the first to support and then ratify this UNESCO convention.

What are the objectives of this convention? Are they still up to date? The first objective is “to protect and promote the diversity of cultural expressions”. The second is “to create the conditions for cultures to flourish and to freely interact in a mutually beneficial manner”.

I am going to skip a few objectives and go on to objective (e): “to promote respect for the diversity of cultural expressions and raise awareness of its value at the local, national and international levels”. Objective (h) reads: “to reaffirm the sovereign rights of states to maintain, adopt and implement policies and measures that they deem appropriate for the protection and promotion of the diversity of cultural expressions on their territory”.

Canada would remain—so I thought—an ardent defender of the cultural exemption clause, which it has included in all bilateral and regional trade agreements since NAFTA, in other words, its agreements with Israel, Chile, Costa Rica, Peru and Colombia. I had some concerns and after the responses I have heard this evening, not only do I have even more concerns, but they are also more serious. The responses I have heard raise many questions. The policy on culture in this agreement is one of the main points that raises some concerns.

● (2045)

For instance, the cultural exemption clause excludes cultural industries from the provisions of liberalization rules governing the trade agreement. This clause allows signatories to implement cultural

policies and to take measures to ensure the development and enrichment of national cultural industries, such as awarding grants and imposing national content quotas for radio and television programming. Without the cultural exemption clause, these kinds of measures would violate the liberalization rules of the trade agreement and would be considered protectionism.

Traditionally, the European Union's cultural exemption clause, also known as the “cultural exception clause”, applies only to audio-visual services and does not include areas such as publishing, music and visual arts, while Canada's cultural exemption clause is broader.

I am about to recite a long list, but my hon. colleagues will understand how important this is. Indeed, I want to make sure that my hon. colleague from Kelowna—Lake Country, who said he was present at the negotiations, knows what is covered by Canada's exemption clause. So, it applies to the following:

- (a) The publication, distribution, or sale of books, magazines, periodicals or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing;
- (b) The production, distribution, sale or exhibition of film or video recordings;
- (c) The production, distribution, sale or exhibition of audio or video music recordings;
- (d) The publication, distribution or sale of music in print or machine readable form; or
- (e) Radio communications in which the transmissions are intended for direct reception by the general public, and all radio, television and cable broadcasting undertakings and all satellite programming and broadcast network services.

In the case of the free trade agreement with Colombia, the production and presentation of performing arts, the production and exhibition of visual arts, and the design, production, distribution and sale of handicrafts are also exempt.

For now, there is still uncertainty about the effect the cultural exemption clause will have on the future comprehensive economic and trade agreement with the European Union. According to the chief negotiator from Quebec, Pierre-Marc Johnson, the Europeans have already made requests to liberalize the cultural sector. I gather from the responses from the minister and the hon. member for Kelowna—Lake Country this evening that these requests have not been turned down as they should have been.

France's Ambassador to Canada, François Delattre, has confirmed that his government would support Quebec in preserving the cultural exemption in its entirety. However, he cannot support it without Canada's support.

I have some questions for the Minister of International Trade. He has been invited to appear before the Standing Committee on Canadian Heritage. He will undoubtedly be there on Monday, January 31, 2011. He will have to answer questions from the members of the committee and give them an update on the status of the free trade agreement negotiations with the European Union. I am concerned this will change by January 31, 2011. I have prepared a few questions. The minister may want to write them down. That way he will already have my questions. I have six questions for him.

First, will the Minister of International Trade ensure that the scope of the exemption clause is kept in its entirety in the text of the final agreement in order that Canada and the provincial governments may maintain their right to implement cultural policies?

Second, in his testimony before the Committee on Institutions in Quebec City last October 6, Quebec's chief negotiator, Pierre-Marc Johnson, said he was surprised to hear the Europeans trying to edge into certain cultural areas and get them subject to the agreement. It is very surprising to see the European Union exerting this kind of pressure, which is contrary to the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, as ratified by the European Union and 26 of its 27 member states. What does Canada intend to do to get culture fully exempted and protect the integrity of the UNESCO convention recognizing that cultural goods and services are not like the others because of their dual nature, both economic and cultural?

Third, it was Quebec that promoted the idea of linking to the main trade deal side agreements to cooperate in such areas as science and technology as well as the cultural sector. What is the Canadian government's reaction to this proposal?

Fourth, if a cultural co-operation agreement is linked to the main trade deal, might this not leave the impression that there is no cultural exemption?

Fifth, before any consideration is given to a cultural co-operation agreement with the European Union, should we not ensure first that the trade deal includes a complete exemption for culture?

• (2050)

Finally, I want to repeat and reiterate the question I already asked of the minister and my colleague from Kelowna—Lake Country. Should we not set an example by agreeing with the European Union on a complete exemption for culture in the trade agreement by including in the preamble a reference to the UNESCO convention?

[English]

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Mr. Chair, I thank the hon. member for her intervention this evening. This is an important debate and I appreciate her comments. I cannot say that I agree with her comments, and frankly, I am a bit surprised by them.

The purpose of including a cultural exemption, as it is in all of Canada's free trade agreements, every single one of them, is to ensure the maintenance of adequate flexibility to pursue domestic policy objectives. That is further backed up by the core objective for Canada, as it is again in all trade agreements, including and eventually the Canada-European Union comprehensive economic and trade agreement.

My question for the hon. member is, why does she not support the ability of Canadian culture to maintain, sustain and sell itself on the world stage? Why does she not believe in her own cultural identity of Quebec? It has a negotiator at the table. It has representation at the table. Why would she prevent, and why would she want to prevent, the great artists in Quebec from competing on a national and worldwide scale? Why would she want to keep Cirque du Soleil strictly in the province of Quebec, keep it cocooned and not able to travel and perform throughout the world?

I do not understand why the hon. member does not have confidence in our own culture here in Canada, when we are going to enter into a negotiation with the European Union that has 27 member

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states, 23 languages and a diversity of cultures, and has managed to trade and maintain its culture on the world stage.

• (2055)

[Translation]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Chair, I thank the member very much for his question, but I must say that I do not understand it. I believe that all of Quebec easily understands that our culture must be exported and we are happy to do so. We have had a great deal of success internationally. I will not even name the artists as it would insult the member's intelligence. We are all familiar with Quebec's cultural success stories. That is why the Government of Quebec provides a great deal of financial assistance—through subsidies—to the arts, the artists, groups and theatre companies so they can tour the world.

The same cannot be said for the Canadian government, especially the Minister of Canadian Heritage, who cut two excellent programs, TradeRoutes and PromArt. In doing so, he literally cut the legs out from under dozens of artists' groups, who can no longer tour internationally to promote Canadian culture.

However, Quebec culture is alive and well. Our desire to protect and promote it led Canada, and Quebec, to sign the UNESCO treaty on cultural diversity. Perhaps it is not clear to the member, but according to this international treaty signed under the aegis of UNESCO, every state and country can protect and promote its own culture, something we would no longer be able to do without such an exemption. That is the important point here. Culture would fall under the rules of free trade and a state would no longer be able to subsidize its artists, art, and culture. It is because we want to help our artists and promote our culture that we want Canada to respect the treaty it signed—

**The Deputy Speaker:** Unfortunately, I have to interrupt the hon. member.

Questions and comments. The hon. member for Burnaby—New Westminster.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Chair, I understand now what the member just said in her speech, which was that the Conservatives do not understand a thing about Quebec culture or Canadian culture. They are saying that the only purpose of this agreement is to ensure that a few famous Canadian artists can tour the world. The Conservatives do not understand that the cultural exemption is important to the development of the artists of tomorrow. Artists such as Céline Dion and Cirque du Soleil do not start out at the international level. They get their start in local communities before achieving international fame. The Conservatives want to do away with these opportunities at the local and regional levels, cut these programs that would help the artists of tomorrow grow and develop.

I want to ask my colleague whether, like me, she gets the feeling that the Conservatives do not understand anything about culture and how to preserve culture so that in 20, 30, 40, 50 and 100 years, Quebec and the rest of Canada are still as vital as they are today.

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**Mrs. Carole Lavallée:** Mr. Chair, unfortunately, the NDP member who just spoke is right. I said “unfortunately” because, to this point, the Conservatives have given no indication that they like the arts, culture and artists.

On November 30, 120 of the most famous, symbolic and legendary Quebec artists came to meet with Conservative members on Parliament Hill. Luc Plamondon, Robert Charlebois, Michel Rivard, Ariane Moffatt, Louise Forestier and the members of Mes aïeux and Cowboys fringants were there. Who met with them? Not one Conservative member met with them. Zero, *net*, none.

These are some of our most legendary artists. Usually, someone who likes artists will meet with them, especially when they are generous enough to travel to attend a meeting. They all spoke to us; we were at the same table. We went from table to table and they talked about themselves. Meeting so many great Quebec artists, many of whom are stars on the international stage, was truly an extraordinary experience.

They spoke against Bill C-32, which runs counter to artists' interests. We cannot understand why the Minister of Canadian Heritage and Official Languages defends industry at the expense of artists, and takes away \$74 million in revenue per year. That makes absolutely no sense.

• (2100)

[*English*]

**Mr. Gerald Keddy:** Mr. Chair, I have to interject here because the hon. member is simply incorrect.

Both Canada and the European Union are leaders in the promotion of the 2005 United Nations Educational, Scientific and Cultural Organization Convention on the Protection and Promotion of the Diversity of Cultural Expressions. This convention recognizes that cultural goods and services are different from tradable goods, because they have both an economic and a social nature. They convey identities, values and meaning. We are in agreement with the European Union on that. There is no difference in our opinion or the European Union's opinion.

I have to protest that the member's arguments that somehow we are cutting culture out of this simply are not true.

[*Translation*]

**Mrs. Carole Lavallée:** Mr. Chair, the member does not understand how it works. Canada and the European Union signed the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. This means that all Canada has to do with this agreement with the European Union is to simply write it in the preamble.

All they have to do is sit down and decide to resolve the issue of arts and culture right away. In fact, in the first paragraph of the preamble, all they have to say is that since the European Union and Canada signed the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which exempts arts and culture from a free trade agreement, they are exempting arts and culture and acknowledge that the UNESCO convention applies. Then, they no longer have to talk about it and can negotiate other things, such as the software industry, the biomedical industry or the aerospace industry, but they will not talk about arts or culture

because these topics are already exempt. As the member said earlier, when something is exempt, it means that it is truly exempt and is not included. Let us remove these issues and stop talking about them.

[*English*]

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Chair, it is my pleasure to rise in the House this evening to speak to a key objective being sought by Canada in our negotiations with the European Union towards a comprehensive economic and trade agreement, namely ensuring real, effective market access for Canadian exports to the European Union. As the minister said this afternoon in response to a question, the focus of this agreement is jobs and prosperity.

In May 2009, Canada and the European Union announced the launch of negotiations towards a comprehensive economic trade agreement, also known as CETA. Based on the results of a 2009 joint scoping exercise, Canada and the EU developed a broad and ambitious negotiating agenda that would include a variety of topics from trade and investment to sustainable development.

CETA also marks the first international trade agreement where the provinces and territories will participate in the negotiations. Officials in Canada and Europe have indicated that provincial and territorial support is crucial to the success of the agreement.

Negotiations are continuing at a fast pace and are expected to be completed by the end of 2011. Negotiations are being undertaken both in Europe and, of course, in Canada.

The successful negotiation of a high-quality ambitious trade agreement remains a key priority for the Canadian government as the EU is the world's top single market, with a population of nearly 500 million and a gross domestic product of more than \$19 trillion in 2009. In addition, the EU is the second largest trading partner in goods and services and the second largest source destination for foreign direct investment.

As CETA negotiations cover a broad range of areas, it could result in an agreement that is both broader and deeper than the North American Free Trade Agreement, NAFTA, Canada's most comprehensive free trade agreement to date.

Almost all of the speakers here tonight are members of the international trade committee. I am not. I am here to express my interest as the president of the Canada-Europe Parliamentary Association.

Given the importance of this agreement, the Canada-Europe Parliamentary Association has made significant efforts to remain abreast of CETA negotiations as well as engage with members of the European Parliament. These discussions have taken place in Europe and, more particularly, the Council of Europe in Strasbourg. We also met with members of the European Parliament here in Ottawa about a month ago. We are satisfied that negotiations are going well. Indeed, the European Parliament passed a resolution in May 2010 where it expressed support for the ongoing CETA negotiations.

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Eliminating tariffs and creating rules of origin that enable Canadian goods to qualify for preferential tariff treatment are essential to gain effective and improved market access. I understand that good progress has been made on both, although more remains to be done.

On tariffs, negotiators have exchanged conditional initial offers on goods that would have 90% of all tariffs go to duty free immediately upon the implementation of the agreement. The second round of offers is being prepared over the next few months on both sides to see tariff eliminations being made even more ambitious.

On the rules of origin, Canadian negotiators are making steady progress towards an outcome that would take into account the integration of Canadian production into North American and global supply and production chains.

However, eliminating the tariffs and getting the right rules of origin are only half the equation. As tariffs come down, regulatory barriers take on greater importance in the ability of exporters to get their products into other markets. Thus, addressing and preventing regulatory barriers is the other half of the equation. Of course, this is easier said than done, particularly since the European Union represents perhaps the most complex regulatory environment in the world.

Effectively dealing with regulatory barriers hinges on: preventing or avoiding their establishment; reducing to the greatest extent possible the impact of those regulatory barriers that are put in place; and, ensuring the right mix of rules and procedures to enable us to efficiently and conclusively address them.

These elements, or outcomes, of effective market access form the basis of Canada's negotiating approach to multiple chapters in the agreement affecting trade in goods, including those related to technical barriers to trade and regulatory co-operation.

● (2105)

Collaborative efforts between the European Union and Canadian regulators toward compatible regulatory approaches are the key to avoiding or preventing regulatory barriers. Our negotiations will build on existing regulatory co-operation between Canada and the EU and will seek to improve it by increasing its visibility by making it clear that regulatory co-operation is a priority between Canada and the European Union.

Generally speaking, regulatory co-operation is forward looking and while it can help to erode differences and facilitate compatible regulatory approaches, it will not necessarily prevent all trade irritants. Seeking to improve the compatibility of European and Canadian standards is also a key to preventing regulatory barriers.

Currently, although Canada and the EU both rely heavily on international standards, we both maintain our own regional and national standards. For the EU this is necessary to facilitate the European single market, while for Canada this is necessary to maintain the integrated nature of the North American market. Bridging this gap will be challenging, but we know it is important to our exporters who face increased costs due to differing standards which, nevertheless, have the same intent and desired outcome underpinning their purpose.

Enhancing transparency in the regulatory development process is another important element in avoiding regulatory barriers. Through provisions addressing technical barriers to trade, we can take greater strides to ensure exporters and employees on both sides of the Atlantic do not get sideswiped by technicalities which have the effect of restricting trade.

Other mechanisms are necessary to tackle regulatory trade irritants. For this reason, to ensure both parties continue to enjoy the benefits of real market access, Canada envisions establishing a solid and responsive institutional framework in the agreement to effectively deal with instances of unjustified barriers or deviations from the obligations of the agreement.

It is important that both Canada and the European Union have a forum where concerns related to the bilateral commercial relationship can be raised and addressed in an efficient, rapid and transparent manner. This will be particularly important to address any technical barriers that might arise in the future.

Finally, to ensure the enduring value of the entire package, we are seeking an effective and efficient dispute settlement mechanism. While dispute settlement is always a last recourse, it is inevitable that concerns will arise that cannot be resolved through consultations. When this is the case, we will need a mechanism that allows us to resolve differences between us quickly and efficiently, allowing manufacturers and traders to get on with their business.

Thus, at its very essence, Canada is seeking significant, effective and enduring market access gains for its manufacturers and exporters. These gains will be enhanced by closer co-operation between our regulators and backstopped by a more robust trade policy implementation regime and an effective and timely dispute settlement process in a comprehensive economic and trade agreement with the European Union.

To put this in plain language, achieving real and effective market access in these negotiations will mean getting reasonable and practical solutions to the current barriers faced by the Canadian exporters and proactively dealing with future issues through greater co-operation. This will translate into opportunities and jobs for Canadians. That is why our government is moving toward a truly comprehensive free trade agreement with the European Union.

● (2110)

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Chair, I will refer to the document, "Municipal Procurement Implications of the Proposed Economic Trade Agreement between Canada and the European Union". It is an opinion that was prepared by Sack Goldblatt Mitchell for the Centre for Civic Governance at Columbia Institute. He refers to sub-national procurement and states:

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In setting out the principles that should guide Canadian trade negotiations, the FCM [Federation of Canadian Municipalities] stressed the importance of: Canadian content for strategic industries or sensitive projects: A trade deal must recognize strategic and public interest considerations before barring all preferential treatment based on country of origin. There may be industries of strategic significance to a particular region, such as transit, or projects where considerations of quality, public benefit, environmental protection or business ethics means that a local government may be allowed to implement minimum Canadian content levels, within reason.

Thus under CETA, municipalities would no longer be able to restrict tendering to Canadian companies, or stipulate that foreign companies bidding on public contracts accord some preference for local or Canadian goods, services, or workers. As a result, municipalities would lose one of the few, and perhaps the most important tool they now have for stimulating innovation, fostering community economic development, creating local employment and achieving other public policy goals, from food security to social equity.

I am wondering if the member would tell me whether he considers this as being one of the technicalities that he speaks to, these mere technicalities, that might upset a free trade agreement and how serious he considers the issue of sub-national procurement.

• (2115)

**Mr. David Tilson:** Mr. Chair, the member speaks as if all these clauses are a done deal. They are still under negotiations and the negotiations will continue to the end of 2011 and possibly longer.

The municipalities and the provinces have been consulted and briefed regularly by the negotiators and are fully aware of all these items that the member has spoken to. Of course the municipalities have indicated their support for where the government is going in this area.

Government procurement, including at the sub-federal level, is one of the areas of negotiation as described in the Canada-EU joint report released in 2009. The obligations would only apply to agreed upon types of procurements. For example, international procurement obligations would not apply to non-contractual agreements such as grants or loans or items purchased for commercial sale or resale of contracts below specified dollar value thresholds.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Mr. Chair, this is not about free trade. This agreement is basically about the control of corporations over our way of life.

The member mentioned that the communities had been consulted. I would urge him to check with the FCM and other organizations, such as the Union of British Columbia Municipalities, to get their comments on this agreement which they feel would be devastating.

It seems that the government's answer for all the ills of our country is to open up more trade. Our agriculture committee did a study and we recommended local procurement for federal government institutions, which would make sense for local farmers. We were told that we could not do that because of trade obligations, so the government is going out to get more trade.

On the other hand, the state of Illinois has legislated that by the year 2020 that 20% of local produce in state institutions will come from local farmers. There seems to be an imbalance and I am wondering if the hon. member sees an imbalance in this.

We tried to negotiate a deal. We put everything up front and yet the European Union, with all its heavy subsidies, with its control and with its help for farmers, right now there is only 0.5% access to pork for their total production, and yet it wants to increase the quota for Canada.

I am just wondering if the member thinks there can actually be a fair agreement or if trade is really the answer, or should we be really careful especially when it comes to our way of life on procurement and especially when it comes to agriculture.

**Mr. David Tilson:** Mr. Chair, of course we will be careful. We will be careful in all of the negotiations. We take great interest in protecting the rights of Canadians and in protecting jobs. To say that we are not doing that is unfair.

The member said that there were no negotiations or discussions with other organizations. The government has consulted with non-governmental organizations, trade unions and industry to ensure that their interests and concerns are taken into consideration in developing our negotiating position with the European Union.

As with every international agreement, our agreement with the European Union will be subject to the treaties in Parliament. When this agreement is reached, we will have extensive debate in this place as to the validity of this agreement and whether it should be passed.

Moreover, legislation to implement the agreement, like any other free trade agreement, will come to Parliament where parliamentarians will vote on it. This process will allow industry, non-governmental organizations and others to express their views.

Most of the members who have spoken today are members of the international trade committee. I am not a member of that committee but I am quite aware that every free trade agreement that has gone through this place has ended up in that committee and has been dealt with extensively, where it debated the pros and cons on whether those agreements should be passed.

• (2120)

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Madam Chair, I thank my colleague for his work on behalf of all parliamentarians as the chair of the Canada-EU Interparliamentary Association.

When a group of European Union parliamentarians travelled extensively throughout Canada last month, they also had fulsome discussions here in Ottawa under the member's guidance. I attended those meetings and I noticed how positive all of the European Union parliamentarians were about this comprehensive agreement benefiting both the EU and Canada.

**Mr. David Tilson:** Madam Chair, the member is quite correct. It was about a month ago when a number of delegates from the European parliament were here and we discussed a wide range of topics, and this agreement was one of them. Although there many other topics mentioned, they will probably be discussed in the agreement.

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We had a successful and positive debate. Members from both sides of the House were present at those meetings. The critics on immigration and international trade discussed a wide range of topics on which the European Union delegates expressed concerns, as did we. They also indicated to us that they, too, were pleased with the way the negotiations are going.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windor, Lib.):** Madam Chair, I will begin by saying that although this is something we have been talking about for quite some time, it seems like it has been sort of on the periphery. We have never really engaged in a full-on debate about Canada-EU and the future that we have with it on this comprehensive free trade agreement.

I congratulate my colleague, the previous speaker, on a fine speech. He is the president of the Canada-Europe Parliamentary Association, an association on which I also serve. I have also served with him on several excursions to Europe. I will not go on about the discussions we have had with European parliamentarians. I think my colleague did that quite well, as have other colleagues in the House.

When I debate in this House, I always want to raise the bar on whatever new policy we are discussing or debating. I have never wanted to be one who opposes simply for the sake of opposing.

I will begin by saying that there are opportunities, not only for this country but for the riding that I represent and in Newfoundland and Labrador as a whole. There is an incredible amount of opportunities within this agreement that we need to engage in.

I am proud to see that all of us, even at this late hour, are engaging in this debate because it is a very important agreement that we must strive for but one that needs to be thorough and one that needs to be debated thoroughly, which I hope we are able to do tonight.

I want to get into the nuts and bolts of this agreement as I want to talk about some of the foundations that have already been laid. Negotiations started around 2004. The discussion opened with many of the dignitaries from the European Union, Brussels and from Ottawa. Three negotiating rounds were held in 2005-06 covering issues such as regulatory co-operation and mutual recognition of professional qualifications, which is a major issue on this continent as part NAFTA and other trade agreements. It is a very important issue for most of us.

At that point we had failed to reach an agreement. However, we suspended negotiations in May 2006 pending the outcome of the Doha round of negotiations with the World Trade Organization. They were not as successful as we had hoped but at least we were able to lay down some of the markers that we were striving for and some of the achievements that we were hoping to make to open markets to our own talents and economies, in addition to receiving products that were cheaper and provided inputs to our own economy.

In many respects this is highly essential and it has been essential since 2004, as we continue with this under two governments of different political stripes.

The 2007, the EU-Canada summit in Berlin conducted a joint study to explore the expected costs and benefits of a closer economic partnership. The European Union started out enthusiastically and, from all accounts, continues to be enthusiastic about this deal. The

EU will gain \$18.6 billion in extra activity, so this is something it obviously believe in and is enthusiastic about.

Canada could experience a \$13.1 billion annual increase in GDP. Annually, this additional economic activity represents a .08% increase in the European Union's GDP and a .77% in GDP or 1%, which may not sound like a lot but it certainly is in dollar value when it translates into jobs.

One of the reasons we call this the comprehensive agreement is because of the benefits. Those numbers, of course, benefit us because we have a smaller country. We are looking at the largest commercial market that stands in front of us in excess of 500 million people and countless numbers of opportunities in what I consider to be an advanced nation of the 27 nations of the European Union.

I want to get into some of the numbers but I also want to touch upon some of the issues that may be considered to be contentious and will certainly receive a lot of discussion over the next little while.

I want to talk about agriculture for just a moment. As we know, agriculture in this country is dear to our hearts as we are a country with some of the largest agricultural land in the world as we know it. As a result, it deserves a lot of attention. Over the past little while we have seen a lot of attention being focused on agricultural issues with any trade agreement regarding Europe and Canada. The European Union made an agreement with South Korea that also involved a lot of talk and discussion around agriculture.

• (2125)

The European Union has a heavily subsidized agricultural system. It is the common agricultural policy. It is heavily subsidized. I do not know if the House is aware of this, maybe it was discussed earlier, but half the EU budget is invested into its common agricultural policy. They hold it near and dear. We have seen protests in the streets of France and Germany when they made even the slightest change in agricultural policy and food safety as a result.

Canada's top imports from the EU include wine, beer, liqueurs and chocolate. I am sure there would be some debate as to whether that is a noble gesture or not, but nonetheless it represents a lot of commercial activity.

Canada's exports to the EU are dominated by primary agricultural products.

The pattern here is that a lot of the products that come into Canada from the European Union are value-added products or, obviously, products that have been processed, whereas the products going out have been less processed, have less value added.

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I am assuming that under a comprehensive free trade agreement that element could change dramatically. Coming from Newfoundland and Labrador, that seems to be the emphasis in economic activity. Certainly when it comes to exports, we want to create more value in the products that we put out there. We just do not want to take a fish out of the water and send it on its way without it being worked upon. I say that because it adds value into the product. With processed goods that are transported, I do believe genuinely, like what happened with the United States and Mexico, we could add more value to our products in a far greater free trade regime that we could achieve with the 27 nations.

We certainly seem to be achieving that now with the other association in Europe and nations such as Iceland, Norway and so on and so forth.

We have exported \$1.6 billion in bulk agricultural products to the EU but less than one-half as much, \$603 million, is in processed foods. I hope that this is something that would change.

When it comes to agriculture and agri-food trade through regulatory barriers, this is one of the issues that I discovered when I went to England. The minister of finance of Great Britain of the day was talking about how some of the agricultural products had been banned from the United States, in other words, products from the United States coming in, and it was under the guise of public safety, public health. But some of the nations pointed out to them that some of the tough restrictions that they have on some of their products, especially when it comes to agriculture, are way too restrictive, overly restrictive, and that the remedies they put in place were overly prescriptive, to the point where they were obscure. The issue became obscurity. It became a trade policy. It became a protectionist measure as many other nations did that.

I hope that we set up a regime whereby these issues are dealt with quickly. We have a lot of exports going out, as I mentioned. If we were faced with some of these trade barriers, the regulatory barriers, that would not serve the best purpose of this particular pending deal by the end of 2011.

One of the models that we could use would be the World Trade Organization's Agreement on Technical Barriers to Trade. It is called the WTO TBT. Obviously some of the products out there have to be banned for reasons of public safety. We genuinely do not disagree with that. But when they skew it and when they take it and twist it in such a manner that it becomes a protectionist measure, then there has to be that measure to allow the oversight so that it does not happen and it becomes an efficient system, far more efficient than what many nations now deal with.

Also, I want to talk about the major elements of this particular deal and some of the issues, such as market access for agricultural products. Trade in services is going to be a huge amount of this. Up to 70% of the services back and forth deal with the services sector alone. There does not seem to be a lot of contention with this, but let us hope this moves much more smoothly than it has been.

Then there is government procurement. My colleague from Guelph brought this up earlier. From what I can gather, one of the major issues that allowed us to get to the table is when the Europeans were able to engage our governments at a sub-national level, as the

provinces were brought on board. Most, if not all, the provinces signed on in the beginning, with the exception of my own province, but that has to do more with seals, and I will leave the seal hunt to another day. Nonetheless, the procurement one is actually an issue we really have to watch out for because in this particular situation some of the municipalities could be constrained to the point where they do not receive the flexibility they had before.

• (2130)

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Madam Chair, I thank the hon. member for his intervention here this evening and engaging in this important debate in this place. You covered a lot of issues in his speech. I think you covered them all, and I will try to be brief.

**The Deputy Chair:** I regret to interrupt. I would just ask the hon. member to direct his comments through the chair.

**Mr. Peter Julian:** Shame.

**Mr. Gerald Keddy:** Madam Chair, I do not know what the noise is in the House beyond of course your wisdom, but I will follow your good advice.

Because my hon. colleague covered a wide range of issues in his speech, I am going to ask him a wide-ranging question, and that is regarding the opportunity that we have before us.

We have WTO negotiations, multilateral negotiations that have completely stalled. Countries around the world, if they want to trade, are being forced, as Canada has been forced, to sign bilateral agreements with individual nations. We have an opportunity here with the EU to sign a third or a fourth generation-level agreement that will set the tone and raise the bar for every free trade agreement ever to be signed after this, and lead the way for the rest of the world in what we should be doing in trade agreements.

I would like the hon. member's comments on that statement.

**Mr. Scott Simms:** Mr. Chair, what we are looking at here, the comprehensive element of this particular trade deal, is what I mentioned earlier, but the sub-national level is something that we have to be extremely careful about. However, there is no doubt about it. This trade deal, when it happens, and I do believe it will at the end of 2011 into 2012, is going to raise the bar in many respects. Even with agriculture, it is going to do that as well.

Investments is another thing, the protection of investments in nations.

I am not worried so much about the Germanys and the Englands, Great Britain as well as France. It is getting into the former eastern European nations, we have to look after our own businesses as they attempt to expand into Europe. That is something that we have to watch out for. An investment regime similar to chapter 11 in NAFTA is something that has to be discussed.

There have been problems with it, no doubt. Coming from Newfoundland and Labrador, we just went through a major issue on chapter 11, but at the same time, we have to provide the balance so that we become the principal beneficiaries of our own resources. Some of that may fly in the face of trade negotiations across the way, but we cannot turn our backs on any opportunity it provides for us.



I would love to get into one sector, very briefly, that is going to benefit in my province. The seal hunt, not so much, but there is an insatiable appetite for shrimp in western Europe right now and we have a tariff currently on our northern cold shrimp that is a punitive measure that we can erase. We can open up the shrimp market and provide value-added products from our shrimp into that particular market.

I appreciate the question. I wish I had more time because I could go on and on, but apparently I will not.

• (2135)

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Madam Chair, I would like to thank the hon. member for his comments and his speech. I have had the opportunity to be in his fine province and even had a Newfoundland tie given to me years ago by a person by the name of Andrew Crosbie.

The last time I was in Newfoundland, I was there with my Food for Thought tour, and I met with some folks who explained the tremendous initiatives in regard to local food in St. John's. I am wondering if the hon. member is aware of the potential harm that this agreement could have to local food initiatives across the country.

As well, with regard to agriculture, is he aware that regarding the Canadian Wheat Board, the government's loan and initial payment guarantees for the CWB will not be permitted? This is article x3, page 267 of the agreed European text. The loss of the government's loan guarantee alone could cost farmers an estimated \$107 million a year, and also, according to a document I have, there is a risk of an increase in contaminated imports because only after a problem has occurred can action be taken. That is article 9, page 45 of this agreement.

I would like him to comment on this, please.

**Mr. Scott Simms:** Madam Chair, I wish I had more time to talk about this. I will get into it point by point.

First, welcome to Newfoundland and Labrador, and Mr. Crosbie treated the hon. member well, obviously.

The other point is that when it comes to the agriculture and the Wheat Board issue alone, there is no doubt about it, there will be elements of our agricultural policy, and I am no expert, that it infringes upon. Keep in mind, as a working document, as I like to call it, this thing has to be worked out or it will fall.

He talked about \$107 million. That is certainly punitive by any stretch of the imagination. I certainly hope that this will be one of the things that continues to be discussed and it looks like it will be. Whether it satisfies everybody, I doubt it, but nonetheless our farmers have to have that ability to be the principal beneficiaries of their own labour, and to do that, we have to build in some comprehensive, flexible policies to allow it.

I will give another example. There is a movement around the world that is talking about eliminating fisheries subsidies. That will be a problem for us who invest in small craft harbours. That will be a problem for us who receive EI based on fish landings. That is the second element of it, and in addition to the agriculture elements that he brings up, I do want to say to him, however, that there are problems here.

### *Government Orders*

I talked about the sub-national government level of procurement. That too is going, in company with organizations like the FCM. However, I hope that we all engage in what will be an incredible opportunity for us to receive goods and to put our goods abroad much easier than we have. We are an island on the east coast. We do not have the access to the American market that the rest of the country has. We do have access, and hope to get better access, to the European Union. We are getting it and we want to get it improved.

**Mr. Francis Valeriote (Guelph, Lib.):** Madam Chair, I want to thank the member for Bonavista—Gander—Grand Falls—Windsor for his wonderful speech. It was very comprehensive.

My question of the member is how does he feel about a municipality, hoping to spur local innovation, spur the local economy and protect the environment, being sued by a corporation from Europe that might have provided a lower tender on a particular project to that municipality, notwithstanding that the ultimate economic benefit that municipality might gain would far, far exceed the difference in those two quotes? How does he feel about that?

• (2140)

**Mr. Scott Simms:** It is a perfect point, Madam Chair. We have already experienced it. AbitibiBowater sued the government for \$500 million through chapter 11 in NAFTA. We had to settle out of court. I would love to have been a fly on the wall to hear some of the discussions, because I have a mill, quite frankly, operated by them for a hundred years that they have not cleaned up and I hope that they will. That discussion should have been had.

I will leave that for another day, but nonetheless, I will talk about the fact that yes, in many cases, the local municipalities have to have some built-in way to bolster their own economies. We already see it, and to face penalties that are major from a foreign nation will be a crippling one. I think that the Federation of Canadian Municipalities has some very good ideas about this and I certainly hope it brings them to the table.

I will give a good example. Ontario's Green Energy Act has some built-in policies that would bolster the local economies. Would that face a challenge under an investment regime set up by this free trade agreement? It possibly would, but we have got to address that by showing an example. The Europeans want to protect their own as well. Let us not kid ourselves. Let us come out with something comprehensive. We have a year and a bit to go. It is time to start talking turkey, as it were, with these comprehensive trade agreements and sub-national governments.

**Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC):** Madam Chair, I am happy to note that the member opposite is willing to support this free trade agreement. Sure, free trade agreements require a lot on both sides. It is a normal interest for both sides to want to protect the industries, but at the same time, look at the larger picture that benefits Canada.

*Government Orders*

Every time we have had free trade agreements with other countries it has benefited this country. Let me ask the hon. member, will he be able to tell his colleagues from the NDP how important this is for his economy, for the Canadian economy, and why it is important for us to have an agreement that would be beneficial for both of us?

**Mr. Scott Simms:** Madam Chair, I think that everyone in the House has a good handle on this issue. Members who say they cannot stand it and have to throw it out by all measure really have a wrong-headed way of looking at it.

I mentioned the example before. The shrimp processing industry in my province stands to gain substantially by reducing punitive tariffs. The only way we are going to get there is to engage in a dialogue that puts us into a legitimate framework so that it does not happen again. That is what happens in comprehensive free trade agreements, despite some of the flaws.

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Madam Chair, tonight I want to talk about trade. I come from the riding of Niagara West—Glanbrook. We are close to the U.S. border and certainly a lot of our manufacturers, flower growers and a number of other businesses have tried to over the years sell into the U.S. market and they have been very successful until recently with the economic downturn. One of the challenges we have is finding markets, finding places for some of those products.

What I believe we have done as a government, which is important, is that we have looked for an opportunity to try to open up those markets. Some parties will fundamentally be against free trade agreements. There has never been a free trade agreement that some parties have ever found that they could support. However, as a business person and someone who understands the need to access different markets, I think this is crucial, and some of the markets and some of the deals we have done, whether it be with Panama, Colombia or now with the European Union in particular, which is why we are here tonight to have this take note debate, are of critical importance.

If we are going to expand trade, which means that we are going to create jobs here at home, we are going to need to continue to expand markets. Quite frankly, the economy has been tough the last couple of years and we all understand that. The challenge with that is if we have people buying fewer goods and services, whether it be the U.S. or other countries, we have to find other ways and other markets where we are able to do that.

I am thankful for this opportunity to speak on this take note debate tonight on the ongoing negotiations with the European Union. The European Union is our second largest trade and investment partner with enormous potential for growth. I know the numbers have been talked about tonight, but we export some \$44.3 billion. We import some \$54 billion from the EU right now. Direct foreign investment in Canada is \$163.7 billion and investment abroad from Canadian companies into the European Union is \$148.9 billion. With an \$18 trillion market, there is certainly a great opportunity for our Canadian companies to compete.

Certainly over the course of testimony over the last little while, we have heard from companies like SNC-Lavalin, which is a great Canadian company that is trying to build on its success in the market, and other companies that are trying to expand.

My colleague, the hon. Minister of International Trade, elaborated on the many gains for Canada in such an agreement. I certainly echo his words in noting that the successful conclusion of these negotiations is a priority for this government and is part of our commitment to build the future economic security and prosperity of Canada.

I would like to take a few moments to highlight a significant component of the agreement, government procurement and its role in setting the overall level of ambition for the agreement as a whole. For the European Union, expanded access to Canadian government procurement markets is its number one priority. In assessing the potential for increased trade between our two sides, the European Union identified government procurement, particularly at the provincial and territorial level, as an area for significant growth in our current levels of trade.

Since 1996, both Canada and the European Union have had commitments to each other on government procurement under the World Trade Organization Agreement on Government Procurement. In addition, Canada has procurement commitments with the United States under NAFTA and the recently concluded Canada-U.S. Agreement on Government Procurement, which our government reached to secure for Canadians, businesses and workers, the only exemption from buy American rules in the world, as well as under free trade agreements with Chile and Peru.

As the commitments between Canada and the European Union under the World Trade Organization Agreement on Government Procurement are currently limited, there is considerable benefit in building upon these existing commitments and expanding into new areas.

In particular, the European Union is seeking broad coverage at the federal, provincial and municipal level, including coverage of crown corporations and expanded coverage in the utilities sector.

Given the importance the European Union has placed on government procurement in the negotiations, the government is committed to achieving ambitious commitments in this area in order to make gains in other areas of importance to Canada and ultimately to successfully conclude these negotiations. At the same time, the outcome must be balanced. Where the EU has flexibilities and limits on the extent of openness in its government procurement, we will be matching these.

● (2145)

Negotiating an ambitious agreement requires extensive consultation. We have been closely collaborating with industry groups, all federal departments and agencies, and crown corporations, some of whom are considering international procurement commitments for the first time, as well as provinces and territories that are also breaking new ground with this agreement.

At the federal level, consultations are being undertaken with more than 100 departments and agencies and all 48 crown corporations. Support from these groups is vital to both achieving the level of ambition required in this chapter and also to demonstrating federal leadership in our commitment to the agreement.

*Government Orders*

Federal leadership and ambition is also important to our ongoing work with the provinces and territories. Provinces and territories have shown tremendous engagement in these negotiations, forming part of the Canadian delegation in the negotiations and working within their respective jurisdictions to build support and secure ambitious outcomes. The involvement of provinces and territories is crucial to the success of these negotiations.

I want to add that the trade committee travelled to the European Union to discuss with its colleagues on the trade committee in the EU, as well as a couple of the member states. This was a concern that they had. They wanted to make sure that our provinces, territories and municipalities were engaged, and this is certainly something our government has noted and has been involved with them from the outset.

The involvement of the provinces and territories is crucial, as I said before, to the success of these negotiations. Before launching the negotiations last year, the European Union pressed for assurances that provinces and territories would fully support the negotiations and would make binding commitments in areas that fall wholly or partially under their jurisdiction, most notably in government procurement.

In working with the provinces and territories to develop commitments regarding their procurement markets, there are important precedents, which serve as a basis for these negotiations. Provinces and territories have a number of internal trade arrangements, which establish similar rules and procedures for the area of government procurement, such as the Agreement on Internal Trade, the New West Partnership agreement between the western provinces, the Atlantic Procurement Agreement and the Trade and Cooperation Agreement Between Ontario and Quebec. In addition, Ontario and Quebec each have a procurement agreement with the State of New York.

Most recently, in February of this year, our Conservative government reached an agreement with the United States on government procurement, which included commitments for certain provincial and territorial procurements. This resulted in provinces and territories taking on international procurement commitments for the first time.

While some of these commitments have been offered to other countries, including the European Union, under the WTO Agreement on Government Procurement, the commitments being sought by the European Union under our bilateral negotiations are broader.

Provinces and territories have made significant progress in the course of these fast-paced negotiations. The continued support and commitment from all provinces and territories remains essential to the successful negotiation of a high-quality and ambitious agreement with the EU.

While the European Union is seeking the expanded commitments of government procurement in these negotiations, Canada's procurement markets are already generally open and transparent in practice. In fact, European firms are already winning large contracts at both the federal and sub-federal levels.

Generally, government bodies at all levels of government abide by a core set of principles in their procurement policies and practices.

These include competition, in order to foster efficiency of public spending, and transparency, which ensures the contracting activities are open, fair and honest. It also includes equal treatment of potential suppliers, in ensuring they are subject to the same conditions, and accountability, to ensure that mechanisms are available to address any concerns.

Indeed, at the federal level, the government has a legislated a commitment to these principles, which secure value for money for Canadian taxpayers through the Financial Administration Act. By applying these principles and opening a wider range of procurement markets to a new trading partner, Canada is ensuring that taxpayers will receive greater value for money while also providing a more fair and transparent environment for business in Canada.

The agreement will also guarantee the same treatment for Canadian suppliers in EU procurement markets.

According to the European Commission, the European procurement market is estimated at 1.7 trillion euros or about 2.25 trillion Canadian dollars. That is 16% of the EU's gross domestic product. Despite the size of this market, many Canadian firms operating in Europe have indicated they face barriers in accessing and securing procurement contracts due to lack of transparency or insufficient knowledge of European procurement procedures.

This agreement will help establish clear rules and expand coverage of procurement markets for both Canadian and European suppliers and will provide access to various resolution mechanisms should concerns arise in the future. It will also serve to ensure greater transparency and fairness in procurement processes. The government's objective is to provide Canadian and European companies with secure and predictable access to procurement markets at all levels of government on both sides.

• (2150)

In order to benefit from such opportunities and to secure an equally ambitious outcome for the EU in this and other areas of importance to Canada, we are committed to achieving ambitious and comprehensive commitments to government procurement.

We have made significant progress thus far in this government procurement, and we are now in the final stages of preparing the initial exchange of offers. While many entities and jurisdictions have shown incredible initiative and flexibility in preparations toward Canada's offer, there is some distance to go.

In closing, I want to urge all members to support Canada's ongoing free trade negotiations with the EU. Encouraging provinces and territories to be ambitious in their offers of government procurement, rather than the knee-jerk protectionist inclinations of free trade naysayers, will inevitably lead to even more ambitious outcomes for Canadian exporters and employees in the European market.

**Mr. Francis Valeriote (Guelph, Lib.):** Madam Chair, the member opposite speaks with some enthusiasm about his government giving up local autonomy and the rights to local procurement in exchange for whatever else might be in the trade agreement.

*Government Orders*

First, I am wondering if he is aware that in the Canada-U.S. procurement agreement many municipalities in the United States refused to negotiate away their right of local procurement, and second, I am wondering how he feels about the rights of municipalities to prefer local industry to spur innovation, to spur the economy, to protect the environment. I am wondering if he is prepared to give that up at any cost.

• (2155)

**Mr. Dean Allison:** Madam Chair, I think there are a couple of key points to mention. I think the first one is that there have been extensive consultations with the provinces, as well as the municipalities. We certainly would never want the municipal governments to give up anything that they could do cheaper, that they could do better locally, and by all means we encourage them to continue along those veins.

In terms of my enthusiasm, really I am looking for other opportunities for our Canadian businesses. Part of what this deal entails is an opportunity for us to look at the markets that we can probably bid on in the European Union. I look at the market that is over there and quite frankly I see a lot more opportunity for our Canadian companies, not only to bid on what we are doing here locally and what we have here in this country, but also to give our Canadian companies an opportunity, as I mentioned earlier, to bid on a much larger market in the European Union, which would benefit some of my local companies in Niagara.

**Mr. Malcolm Allen (Welland, NDP):** Madam Chair, I want to thank my colleague, the member for Niagara West—Glanbrook who geographically is my neighbour.

I will remind him what the Thorold council said about two and a half years ago when I paid it a visit. When it came to free trade, the council said “No, thank you very kindly”. In fact so did nearly 80% of the regional governments in the region we both live in.

Nonetheless, what we need to talk about is this free trade model of which my hon. friend there are some naysayers. Let me say nay.

It is not about whether or not we want trade, which of course gets thrown back this way all the time. Of course we are a trading nation and have been since the voyageurs, but there are ways to develop trade and there are ways to develop trade differently, and what we are saying to the government is that it should explore that.

When it comes to sub-national governments, as we call them, I call them municipal governments, I call them councillors and mayors and premiers of provinces. I guarantee that the EU is looking at the Samsung plant that is supposed to go to Windsor and Tillsonburg and saying it would rather see it stay in Spain and Germany. I guarantee the EU is looking at Bombardier in Thunder Bay and saying that it would rather build those cars in Italy. I guarantee that the EU is looking at our agriculture products and saying that we cannot call that Quebec cheese by that name any more because that is not on, as far as it is concerned.

I wonder if my friend from Niagara West—Glanbrook would like to explain how indeed the flower producers in his region are going to ship those flowers all the way over to Europe, especially if they are tulips, and try to get away with it.

At the end of the day, the EU has been doing this for a long time, breaking down borders, moving back and forth. Ask it how well it is doing. Ask those folks who left Poland to go to Northern Ireland to work how they are doing when they went all the way back to Poland under the model the EU gave them. Ask them how well they are doing. They will tell the member they are doing very poorly.

Ask Canadian workers if they are better off today than they were in 1995 and the answer according StatsCan will be that they are worse off or exactly the same, and the StatsCan report actually proves it. Of course we are going to lose that soon with all that census material.

The top 1% are doing really well; those at the bottom end of course are not doing so well; and the ones in the middle, that great big chunk in the middle who we want to make sure prosper, have not.

Let me ask this. Is free trade working for workers in this country?

**Mr. Dean Allison:** Madam Chair, my hon. colleague from Welland raised some interesting points.

We cannot look at this as taking a one-pronged approach that is just about trade. Canada is an amazing country. It is full of natural resources, minerals, steel, all kinds of things that we export to the rest of the world. However, we have to do a better job if we are to move into a knowledge-based economy.

We have to transition ourselves from exporting our resources to looking at value-added resources. How can we commercialize technology in our country? We have spent a highly proportionate amount of money on research and development. I believe Canada is number one or two in the G8. That is a good thing.

I look at what this government has done with the FedDev program and the Regional Development Agency in southwestern Ontario. We have taken a number of great initiatives and they are crucial if we are to continue to compete in a global market and as we go to a knowledge-based economy.

We have programs under FedDev right now such as the Ontario advantage program, which is an applied research and commercialization initiative. We have invested in business innovation. There is the graduate enterprise internship program. We have scientists and engineers in business. We have technology development programs. The prosperity initiative was just launched. We have youth programs. We have the Canadian innovation commercialization program. These programs will help us as Canadians to compete, to develop great goods.

We do not have to look very far down the road from Niagara to Waterloo, where a little company called Research In Motion is located. By expanding markets, we have helped this company sell its products. We would never use all the phones this company produces in Canada.

*Government Orders*

• (2200)

**Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC):** Madam Chair, NDP members always oppose free trade, yet that party claims it wants to help workers.

Canada's population is 32 million. One factory with 500 workers would meet the demands of this agreement. A free trade agreement helped RIM sell its goods all over the world. This free trade agreement will open up markets. Factories will be built in the country and workers will be employed to work in those factories. The most important thing is that more people will be working and there will be more factories.

The NDP says that it supports workers. How will those members support workers when factories are shut down because there is no market? Free trade agreements provide markets so people can work in the country.

Is that not right?

**Mr. Dean Allison:** Madam Chair, I would like to finish off my line of thinking from the last question. We do have great companies in Canada. There is no question that we have shown that we can compete on the world stage.

I mentioned SNC-Lavalin as an example. I just mentioned RIM. If we were not a free trading nation, if we did not have the opportunity to trade these goods, then Research In Motion would not have the kind of market share it has around the world. It would not be able to employ the number of people it employs in Waterloo.

This is not just about what Research In Motion does in Waterloo. It is about all the spinoff jobs that come from that company. It is about all the opportunities that are available. It is about all the technology companies that meet in a cluster around Waterloo. It is about OpenText. It is about all these other companies that help build the economy.

Free trade is important because we need to have a place to sell our goods. This government has done a great job in recognizing the fact that we have to do a better job commercializing the great technology we have in Canada and the great work we already do here.

It is important to create new markets for us to sell our goods.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Madam Chair, it is a pleasure to be in the House at this late hour with a multitude of my colleagues sitting around waiting for this speech to take place.

Before starting my speech, I would like to comment on something the hon. member from Alberta said a few minutes ago about jobs and the equation that the more agreements we have, the more jobs we will have.

I am wondering if he is aware of the fact that since FTA and NAFTA, we have lost over 300,000 manufacturing jobs in Canada alone. After the softwood sellout many lumber mills have shut down. The border has been closed to beef in spite of NAFTA but it is opening. And of course we have had the loss to farmers with the dumping of apples. Then we have the famous chapter 11 where corporations have sued. The hon. member from Newfoundland mentioned that when talking about AbitibiBowater.

There is another way of looking at agreements. I would submit that this agreement is not about trade. This agreement is about control. This is an agreement about our sovereignty. I would go so far as to say that CETA is another nail in the coffin of the sovereignty of Canada.

I would go further to say that perhaps the next election should be fought on the control of our country. Those who are in agreement with our country, with our sovereignty, with fair trade, with jobs for Canadians, should be on one side regardless of party. People who want to continue down the road to more trade and try to open up more markets, shutting down jobs and sending jobs offshore, should be on the other side. Let us have a debate in the next election about the future of our country. That is what I would like to see.

In my questions earlier, I referred to a very interesting and thorough legal opinion by Steven Shrybman of Sack Goldblatt Mitchell LLP, for the Centre for Civic Governance at Columbia Institute. It talks about municipal procurement.

I am going to spend the majority of my 10 minutes quoting from this document because I think it is very relevant. I am happy to see that some of my colleagues in the House have a copy of this document, and they have already brought it up.

On the first page we see a letter by Charley Beresford, the executive director of the Columbia Institute, saying the following:

Sub-national public procurement in Canada had largely been left out of earlier international trade agreements, such as NAFTA and the FTAA.

In other words, our municipalities did not have to worry about that under NAFTA, but then when we gave away a lot in this buy American deal, the Canada-U.S. procurement agreement, this came into play.

What happened is that we got the short end of the deal. Whereas communities in the United States said that they were going to continue with local procurement, we opened it up, and we sold out.

What this document is saying, and the research is saying, is that the European Union agreement is an extension of what we started giving away with the buy American agreement. It states:

The EU has made specific requests for full access to public procurement in cities across Canada, including the right of European multinational corporations to bid on core municipal services, such as public transit systems, water services and wastewater treatment. The leaked CETA documents explicitly propose that environmental and local economic development considerations be excluded as factors in procurement decisions, and the deal would open up opportunities for corporations who don't get their way to tie municipalities up with expensive legal challenges.

In other words, our tax dollars will be going to defend our communities against these legal challenges, just as they have gone to defend our country against legal challenges by corporations under chapter 11 of NAFTA. I repeat, this agreement is not about trade, it is about control.

Let us look further at this document prepared by Steven Shrybman. He says:

### *Government Orders*

For example, Canada proposes to provide corporations with a virtually unfettered right to invoke international arbitration to seek damages where they claim a Canadian government or other public body has failed to comply with the investment rules of the regime.

Further on he talks about the Federation of Canadian Municipalities:

...and the FCM has also called upon the federal government to preserve the right of municipalities to insist on local content and job creation as conditions of procurement. In setting out the principles that should guide Canadian trade negotiations, the FCM stressed the importance of:

Canadian content for strategic industries or sensitive projects: A trade deal must recognize strategic and public interest considerations before barring all preferential treatment based on country of origin.

● (2205)

I will go on and talk about some excerpts from page 4. It states:

To put it simply, proposed CETA rules would permanently remove the option of using procurement in this manner. Thus under CETA, municipalities would no longer be able to restrict tendering to Canadian companies, or stipulate that foreign companies bidding on public contracts accord some preference for local or Canadian goods, services, or workers. As a result, municipalities would lose one of the few, and perhaps the most important tool they now have for stimulating innovation, fostering community economic development, creating local employment and achieving other public policy goals, from food security to social equity.

It also states that the agreement would target local food security. In other words, according to the research and the study, it would prohibit municipalities from using procurement for sustainable development purposes, such as promoting food security or adopting local food practices. Tell that to the folks in Toronto who have initiated the tremendous local food initiative or all those initiatives right across the country.

I repeat, the agreement is really not about trade. It is about gaining access or control of our way of life by European companies with the support of their governments.

I alluded to the recently concluded Canada-U.S. procurement agreement. It is a remarkably one-sided agreement, where most benefits flow to U.S. companies.

The argument and the hope is that we will open up more markets. I would like to note that we already have access to 20,000 tonnes of hormone-free beef, recently opened out of Europe. Our high-quality protein wheat and durum has no tariffs in the European Union. Although, wheat producers would like no tariffs for low-quality wheat.

Let us move on and see what the rest of this document says. It states:

Most importantly, given the failure of CETA proposals to preserve the right of municipalities to insist on Canadian content for strategic industries as the FCM called for, it would be reasonable to renew calls for the Federal Government to provide clear assurance that it will not trade away the authority of local governments to use procurement to achieve economic, social, environmental, sustainability and other valid public policy goals.

So far, I have not heard any assurance from our federal government in this regard.

To see how it can affect specifically, let us look at the province of Ontario and the Ontario Green Energy Act. This agreement could target that act. This act includes significant domestic content requirements for the procurement of renewable energy projects. According to this new policy, at least 25% of wind projects and 50%

of large solar projects must contain Ontario goods and labour. CETA, with an agreement signed, according to the document that has been leaked, will do away with all of this.

The capital region district of Victoria is promoting environmental innovation with respect to the management of waste water. This would also come under scrutiny and threat of an agreement signed with the European Union.

I have already talked about food security.

Is it protectionism then to want to ensure that we have Canadian jobs or to ensure that we get the best deal and fair trade deal, as my hon. colleague from Burnaby—New Westminster often talks about?

To begin with, procurement was not, until the advent of a WTO agreement, a subject for inclusion in any international trade agreement. Canada has been a trading nation from its birth as a nation. We have traded with countries. We have had debates over free trade over the years of our history. Never before has the idea that local procurement or the control of water, sewage, energy products, or the building of municipal arenas or recreation centres would come under the scrutiny of some kind of trade agreement. As I mentioned, this was exempt even under NAFTA. Now all of this is into play, and I submit that it is not worth it.

● (2210)

Every agreement has its pluses and minuses, and we as parliamentarians have to have a really strong debate about whether it is worth signing away our sovereignty in order to get a few more supposed contracts from a union that has very protectionist policies of its own.

**Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC):** Madam Chair, of course, it is a well-known fact that the NDP would never support any free trade agreement deal with any country. It will always put barriers to them, despite the fact that there is overwhelming evidence that free trade around the world is beneficial to all humanity. The WTO has irrefutable evidence, but that evidence the NDP will never accept.

He is talking about giving away sovereignty. Nobody is giving away sovereignty here. What we are talking about is an agreement between two countries that is beneficial to them and to us, as are all agreements that have been made by Canada.

It is amazing how the NDP says we have been a free trading nation all our lives, but for some reason they forget the fact that all the free trading that they were talking about, before governments came into play, was free trade.

The free trade agreement also allows us to set standards that are important to Canadians, the labour code, human rights, all these things, and to work with these countries to ensure that Canadian values are also there.

It is of importance to Canadian values to have a free trade agreement. I do not understand why the NDP would not agree to that.

*Government Orders*

• (2215)

**Mr. Alex Atamanenko:** Madam Chair, I have been here since 2006 and I have seen a progressive erosion of our Canadian values under the present government. I have seen it trying to get these many deals, at the expense of human rights and at the expense of our farmers.

We have a WTO agreement that has not been signed. Right now, if it is signed, according to the language, each dairy farmer in Canada will lose \$70,000 because of the increase in quota. The Canadian Wheat Board will cease to exist because it will no longer be able to get guarantees from our government.

In regard to agreements, as my colleague from Burnaby—New Westminster said, we have supported the Auto Pact, which was a fair trade agreement. There is no reason that we cannot trade with a nation and have a fair agreement, but I would like to submit that it is not easy to have a fair agreement with a big conglomeration of nations, just as it was not easy to have a fair trade agreement with the United States, and we have seen that in the softwood lumber sellout.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Chair, I was very pleased to listen to the terrific speech from the member on this take note debate regarding the Canada-EU free trade deal.

We are certainly aware of the uncertainties in Europe at this time. We have stresses in Spain, Greece and Ireland. Protectionism potentially is on the rise and could continue.

The question I have for the member is this. Is he confident that, at the end of the day, the final ratification and implementation of this agreement is even possible with all this upheaval in Europe?

**Mr. Alex Atamanenko:** Madam Chair, my hon. colleague always has very thoughtful questions because he researches his material and he understands the issues.

It is ludicrous to expect that the European Union will enter into a fair trade agreement with Canada. We have seen the devastating effect that the euro has had on countries such as Greece, Spain and Ireland that have bought into the euro. There are even many advocating in those countries for a return to their currencies so they can devalue their currency and at least get out and have some jobs. This is going to continue, and here we are, signing an agreement and hoping that things will continue as they are. I would like to submit that it will not.

The other very frightening or disturbing aspect is that they are very protectionist. To this day, we have only 0.5% of their total pork production allowable tariff-free; and over there, they want us to do away with our tariffs for dairy. As I said earlier in my questions, and I posed this to the Canadian negotiator, European cheese could come onto the table at the very last minute, with them saying, “Okay Canada, accept the fact that we can flood your market with cheese and we will sign the agreement”.

If we do that, there goes \$70,000 for each dairy farmer and there goes our supply management system.

• (2220)

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Madam Chair, the hon. member spoke

at length. I would like to say that I appreciate his comments, but frankly, to the House and anyone listening, I really do not appreciate his comments. He does not support trade. I do not know, and I hope none of us would ever find out, what a nuclear wasteland would look like, but I think it is something that the Canadian economy would look like if his party ever gets in charge of the reins to direct it.

There are a couple of simple terms, for those with a bit of an agricultural background, and I understand the hon. member professes to have some. Those are “gee” and “haw”, where we can turn a horse, because it has blinders on, to the left or to the right.

The member made a comment that there are pluses and minuses in every trade agreement. So I would like to hear some of the pluses in the trade agreements that we signed. I will list those agreements for him.

We have signed a trade agreement with the United States. We have signed trade agreements with Chile, with Israel, with Colombia, and with Costa Rica. We signed a trade agreement recently with Panama, and it has gone through the House now, clause by clause.

So I would like to hear some positive accomplishments from those trade agreements.

**Mr. Alex Atamanenko:** Madam Chair, we have had some increase in trade with Mexico that has worked.

I think the question going back to him is, is it worth selling out our sovereignty to sign some kind of trade agreement? I would just like to ask him which side he is going to be on when we are facing Canada with the question to preserve Canadian sovereignty or to continue selling off our country to become the 51st state in the United States of America.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Madam Chair, I thank the member for British Columbia Southern Interior for standing up for this country.

As he knows, we have had hundreds and hundreds of emails from activists across the country and many people have been watching the debate tonight. Obviously the Liberals are going to rubber-stamp whatever the Conservatives bring forward. That is clear yet again. The Liberals basically follow along and do whatever the Conservatives tell them to do. The NDP is the only party standing up for Canada in the House of Commons.

So the question is, what should people be doing? What should the activists who are tuning in, the people who are writing emails, be doing to make their member of Parliament know that they are concerned about this deal and all the ramifications that we have discussed tonight? How should Canadians be getting their voices heard, besides through the NDP in this House, to ensure that these Conservative and Liberal politicians know full well that Canadians are watching them and they do not like the aspects of this deal and increased drug costs that put our—

*Government Orders*

**The Acting Speaker (Ms. Denise Savoie):** Order, please. The hon. member for British Columbia Southern Interior has a minute to respond.

**Mr. Alex Atamanenko:** Madam Chair, the main thing that Canadians can do today is to contact every member of Parliament, especially those from the Conservative and Liberal parties, and point out to them, for example, the document that I referred to; point out to them the document prepared by the Canadian Centre for Policy Alternatives, which talks about negotiating from weakness; point out to them their concerns so that when they come here to the House to debate this bill they will in fact start reflecting the concerns of their constituents and the wishes of those who want to save Canada and preserve our sovereignty in a fair trade agreement and not continue to sell out this country as we are doing now under the Conservative government.

**The Acting Speaker (Ms. Denise Savoie):** Order, please. Resuming debate. The hon. Parliamentary Secretary to the Minister of International Trade, and I should warn him that he has 30 seconds only.

**Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC):** Madam Chair, I have 30 seconds left.

Maybe I could wrap this up, which is almost impossible to do in 30 seconds.

My question for parliamentarians and for all Canadians is this: do we want jobs and opportunities? That is the question.

There are jobs and opportunities for workers. There are jobs and opportunities for businesses. There are jobs and opportunities for all Canadians in this free trade agreement. I believe as a member of Parliament representing South Shore—St. Margaret's in Nova Scotia that we should go after those jobs and opportunities.

• (2225)

**The Deputy Chair:** It being 10:25 p.m., pursuant to Standing Order 53.1, the committee will rise and I will leave the chair.

(Government Business No. 9 reported)

**The Acting Speaker (Ms. Denise Savoie):** Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 10:25 p.m.)

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