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OFFICIAL REPORT
(HANSARD)

Thursday, February 3, 2011

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, February 3, 2011

The House met at 10 a.m.

Prayers

• (1005)

[*Translation*]

HOUSE OF COMMONS

The Speaker: I invite the House to take note of today's use of the wooden mace.

[*English*]

The wooden mace is traditionally used when the House sits on February 3 to mark the anniversary of the fire that destroyed the original Parliament buildings on this day in 1916.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 24th report of the Standing Committee on Procedure and House Affairs regarding membership of the committee to the House.

If the House gives its consent, I intend to move concurrence in the 24th report later today.

* * *

NATIONAL PUBLIC TRANSIT STRATEGY ACT

Ms. Olivia Chow (Trinity—Spadina, NDP) moved for leave to introduce Bill C-615, An Act to establish a National Public Transit Strategy.

She said: Mr. Speaker, happy New Year of the Rabbit.

Canadians deserve and need fast, reliable, affordable and accessible public transit. However, unlike all other G8 or OECD countries, Canada does not have a national public transit strategy, nor does it have a transit policy or program.

My national public transit strategy act seeks to establish a legislative framework, with the federal government taking a leadership role in coordinating all levels of government in an effort to maintain and expand public transit across the country. Together, a public transit plan would be developed and the plan would establish a clear mechanism so there would be sustainable, predictable and long-term funding for public transit.

The national public transit act or strategy has been long requested by the Federation of Canadian Municipalities, the big city mayors caucus, the Canadian Urban Transit Association, the urban transportation task force and transit authorities from coast to coast to coast. Together, they point to an \$18 billion gap in transit infrastructure needs. They lament that there is a piecemeal approach through various funding sources and that every year billions of dollars are lost due to traffic congestion while, simultaneously, transit authorities struggle to meet demands.

Investment in public transit creates jobs, fuels economic growth and contributes to clean air, decreased congestion and lower greenhouse gas emissions. It is high time Canada had a comprehensive public transit strategy.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, if the House gives its consent, I move that the 24th report of the Standing Committee on Procedure and House Affairs presented to the House earlier today be concurred in.

The Speaker: Does the hon. member for Elgin—Middlesex—London have the unanimous consent of the House to propose the 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.

Speaker's Ruling

(Motion agreed to)

* * *

PETITIONS

ANIMAL WELFARE

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased to table petitions signed by a number of people in the Montreal area who are very concerned about the import and export of horses for slaughter for human consumption.

The petitioners point out that horses in our culture are most often kept for sport and companionship and not raised as food producing animals. This means that they are regularly given drugs that are prohibited from being used in any food producing animal. When such animals are sold for human consumption they are, therefore, likely to contain prohibited substances.

The petitioners call upon Parliament to adopt Bill C-544, An Act to amend the Health of Animals Act and the Meat Inspection Act to ban the import or export of horses for slaughter for human consumption.

AFGHANISTAN

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, my petition calls for the end of Canada's military involvement in Afghanistan.

In May 2008, Parliament passed a resolution to withdraw Canadian forces by July 2011. The Prime Minister, with the agreement from the Liberal Party, broke his oft-repeated promise to honour the parliamentary motion and, furthermore, 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 faced 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.

In fact, 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 upon the Prime Minister to honour the will of Parliament and bring the troops home now.

* * *

● (1010)

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Translation]

POINTS OF ORDER

BILL C-507 — SPEAKER'S RULING

The Speaker: The Chair is now prepared to rule on the point of order raised by the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons on November 2, 2010, concerning the requirement for a royal recommendation for Bill C-507, An Act to amend the Financial Administration Act (federal spending power), standing in the name of the hon. member for Saint-Lambert.

[English]

I thank the parliamentary secretary for having raised this important matter. In raising his point of order, the parliamentary secretary set out two separate grounds on which he alleged that Bill C-507 infringes the financial initiative of the Crown. First, he claimed that the bill seeks to alter the terms and conditions of existing royal recommendations which authorize payments out of the consolidated revenue fund to provinces and municipalities for various purposes. This alteration would take two different forms. Where transfers are made conditional upon provinces meeting certain federal standards, these transfers would now be unconditional. Where the federal government provides funds to individuals, agencies or municipalities, these funds would now be transferred only to the provinces.

The parliamentary secretary maintained that this alteration in the way in which funds are transferred violates the terms of the existing royal recommendations on which those transfers depend.

The second cause for concern which the parliamentary secretary highlighted is the effect of the provisions of Bill C-507 on payments to provinces that choose to opt out of federal programs in areas of provincial jurisdiction. These payments would be authorized whenever a province did not delegate its responsibility to the federal government in relation to a federal program in an area of provincial jurisdiction. He claimed that this would result in payments out of the consolidated revenue fund for purposes not currently authorized.

[Translation]

The Chair has examined carefully the provisions of Bill C-507 in light of the arguments presented. The nature of the royal recommendation requirement is explained in the *House of Commons Procedure and Practice*, second edition, at page 834.

A royal recommendation not only fixes the allowable charge, but also its objects, purposes, conditions and qualifications. For this reason, a royal recommendation is required not only in the case where money is being appropriated, but also in the case where the authorization to spend for a specific purpose is significantly altered. Without a royal recommendation, a bill that either increases the amount of an appropriation, or extends its objects, purposes, conditions and qualifications is inadmissible on the grounds that it infringes on the Crown's financial initiative.

[English]

What is at issue in each case is whether the provisions of the bill introduce a new appropriation, increase an existing appropriation or entail changes to the objects, purposes, conditions and qualifications of the existing appropriations to enable these appropriations to be used for a new purpose.

Government Orders

Bill C-507 seeks to amend the Financial Administration Act by proposing new subsections 26.1(1) and (2) which would prevent the federal government from making payments in respect of expenditures in areas of provincial jurisdiction unless the province concerned delegates that power to it. Proposed new subsection 26.1(3) establishes a timeframe for that delegation. While it has been argued that the proposed new subsections 26.1(1), (2) and (3) would have the effect of altering the conditions under which the authorization to spend currently exists, the Chair is of a different view. These subsections in no way enable existing appropriations to be used for a new purpose. Instead, these new subsections would affect whether or not the moneys appropriated are actually spent. The appropriations themselves remain unchanged and such a consideration does not give rise to the need for a royal recommendation.

[*Translation*]

As for the second issue raised by the parliamentary secretary, the Chair refers honourable members to the proposed new subsection 26.1(4) which requires that payments be made to a province that does not provide a delegation under subsection 26.1(2). In the Chair's view the effect of this provision would be to allow the transfer of funds without there being any conditions attached. In other words, those funds could be expended for purposes not limited to, or governed by, the conditions—or purposes—of the original appropriation. Obviously, this would be a relaxation of applicable conditions, to say the least, and would necessarily constitute an infringement of the financial initiative of the Crown as the appropriated funds could be used for purposes not approved by Parliament when it made the appropriation.

On this basis, it is my ruling that Bill C-507, in its current form, requires a royal recommendation. Consequently, I will decline to put the question on third reading of the bill in its present form unless a royal recommendation is received.

● (1015)

[*English*]

Today's debate, however, is on the motion for second reading and this motion shall be put to a vote at the close of the second reading debate.

I thank hon. members for their attention.

GOVERNMENT ORDERS

[*English*]

STRENGTHENING AVIATION SECURITY ACT

The House resumed from February 2 consideration of Bill C-42, An Act to amend the Aeronautics Act, as reported (with amendment) from the committee, and of the motions in Group No. 1.

The Speaker: When the matter was last before the House, the hon. member for Vancouver East had the floor and there are seven minutes remaining in the time allotted to her for her remarks. I therefore call upon the hon. member for Vancouver East.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to continue my remarks from yesterday. I appreciate the

information about the significance of the mace today and the fact that we are remembering the fire of 1916 in Parliament. It is very interesting to be in the House on this historical day. I appreciate that being brought forward.

I want to speak to this bill because there is a lot of concern from Canadians about how so much is being eroded in terms of civil liberties and privacy of information by security measures. Certainly Bill C-42 is a very strong case in terms of a further erosion of privacy of Canadians.

There has been a lot of debate about this bill and certainly our critic, the member for Western Arctic, has done an incredible job of bringing forward information, both at committee and in the House, to show just how dangerous this bill will be. As he said in an earlier debate, Bill C-42 really means stripping away the privacy of Canadians and that is something we should be very concerned about.

Out in the broader community, people are very worried about how much government legislation, whether it is so-called anti-terrorism legislation, no-fly lists, or this bill, is impacting the rights and privacy of Canadians. It is all being done in the name of security. Yet there is no evidence to show that these very broad measures that cast such a wide net over every segment of our society actually do improve our security or prevent terrorism from taking place. However, they do create an enormous chill in our society.

As parliamentarians, we have a responsibility to examine this kind of legislation in great detail to establish whether or not it is warranted and whether or not the legislation goes too far towards invading the privacy of Canadians. I would say for us in the NDP, we have come to the conclusion that this legislation does go too far. We know it will allow airlines to send personal information of passengers to foreign security services.

The information that will be forwarded is determined by requirements that are laid out in secret agreements with other countries. In and of itself, that is a huge problem. There is no transparency. I would note that in 1998, the European Commission put forward six key principles that must be included for this type of legislation. They had a very thorough examination because this has been a huge issue in Europe as well as around the world. I do not have time to go into the six principles, but briefly they outline the purpose limitation principle; the information, quality and proportionality principle; the transparency principle; the security principle; the right to access restitution opposition principle; and restriction on onward transfers principle.

The right to access principle says that subjects of the information should have the right to obtain a copy of all the information relating to them that is processed and the right to restitution of the information which is inaccurate. Further, in some situations people should be able to object to the processing of the data that relates to them.

I want to be very clear that this bill we are debating today does not include any of these protections, so that is a very serious matter.

Government Orders

When the bill was examined earlier by committee, there were some very notable witnesses who came forward. One of them was Dr. Mark Salter of the School of Political Studies here in Ottawa who said:

Governments want this information so that they can build profiles of not just risky passengers but safe passengers as well. Research clearly demonstrates that in the United States and the U.K., government agencies are trying to collect as much data about travellers as possible.

He went on at some length about what that means.

There was further evidence from Nathalie Des Rosiers who is the general counsel for the Canadian Civil Liberties Association.

• (1020)

In her testimony she said:

There's no safeguard that the TSA will not pass information to other government agencies, such as law enforcement or immigration. There is no safeguard that the TSA will not pass this information to third countries. And we know this has been a particularly difficult issue for some Canadians, Maher Arar being a case in point. There's no guarantee that the TSA will not use the information for profiling Canadians, to put them on their watch list or the no-fly list.

We have heard many incredible stories about the no-fly list, about people who are on there by mistake, people who are legitimately and in good faith travelling to the United States or elsewhere who cannot access information regarding why they are on the no-fly list. It is a grievous error and problem we face. We can see that, if approved, the legislation will have an enormous impact on our rights, on our privacy. We are not doing our job properly if we allow the bill to go through, so I am proud that members of the NDP are standing in the House to speak out against the bill and make it very clear that we do not believe it is in the public interest nor in the interest of so-called security. It is simply further integrating us with U.S. policies which people are very concerned about, all in the name of security. There is no transparency and no accountability.

I hope other members will reflect on the bill at this stage and decide that it should not go forward and should not be supported.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, the hon. member for Vancouver East brings up the point that no person may know what information is on the list. Even more egregious is the fact that it cannot be changed. There is no way to correct mistakes on the list.

I wonder if my hon. colleague would like to comment further on that.

Ms. Libby Davies: Mr. Speaker, I am glad the member raised this point because it is one of the core issues of the bill that we must struggle with and the conflict that it presents. Information is being mined about people and is being stored in enormous data warehouses. Where is the transparency and accountability pertaining to these massive institutions and bureaucracies that develop and control this data?

One of the most fundamental issues is that people do not know what information is being gathered. If they do have a sense that something is wrong because they have been turned away for a flight or they find out that they are on the no-fly list, then under this legislation their ability to get that information is nil. This is why I wanted to draw attention to the European Commission report and the six principles which it claims are fundamental to any legislation such

as this. However, Bill C-42 does not adhere to these particular principles. It appears to me that is a serious matter and if we are acting in the public interest and protecting the rights of our constituents, we should not allow this to go ahead.

• (1025)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the government really has not been up front about this whole issue. It introduced the bill on the last day of the session in June. Then it told us that it had to be passed by the end of December or the overflights would have to stop. We are into February already and the flights are still continuing uninterrupted.

Let us look at other countries. The member for Western Arctic indicated to me that there is no stoppage of flights from Mexico. We should be looking at how the Americans are treating other countries. There are many other countries which have flights overflying the United States. What have those countries been doing?

It appears the government does not want to provide full information on this or any other topic for that matter. Conservatives are a very secretive group and also poor negotiators. They had the opportunity to ask for reciprocity. The Americans have 2,000 flights a day flying over Canadian airspace and we only have 100 flying south. Yet the government has not asked for reciprocity from the Americans. That would have shut this operation down as the U.S. would not want to provide passenger information on that many flights.

Ms. Libby Davies: Mr. Speaker, there are more and more questions about the bill. I agree with the member that it has been shrouded in secrecy. When we were here in December we were under this cloud that the bill had to go through. There was a deadline and a lot of pressure on all the parties to rush it through. That has been a very familiar story. I remember the original anti-terrorism bill, Bill C-36, which had to be rushed through, it had to be done. Here we are years later and we still see this kind of legislation come forward without transparency.

My understanding is that the Government of Mexico at this point has not approved the legislation that flows from these secret agreements and secret negotiations.

I think it begs the question, if we were told that this was essential and everything would come to a screeching halt if it did not go through, which obviously did not happen, what really is going on here? Are these agreements necessary? Why are they not transparent? Why does the bill have to come forward at this time?

Again, there is no evidence that shows anything to compel us to do this. On the contrary, the evidence is that the bill is going to create enormous problems in our society and would have a long, far-reaching impact on civil society. Therefore, we should be saying no.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on behalf of the constituents of my riding of Winnipeg Centre, I am very pleased to take up the baton, as it were, as NDP speakers rise one after another to sound the alarm on this intrusion into our Canadian sovereignty.

Government Orders

I would like to preface my remarks by reminding the members present that the right to privacy is a fundamental cornerstone of any western democracy. We have this debate completely upside down today. We should be pointing out that the people of Canada have a right to know what their government is doing at all times, and that door should be wide open and transparent. But the Government of Canada does not have a right to know what its people are doing at all times, and that right to privacy should be protected as one of those fundamental cornerstones that we rely on in a progressive western democracy.

Why then would the government be willing to compromise and sacrifice in any way that fundamental right to privacy, or watch its erosion, by virtue of this bill? Why would it be prioritizing this over all the issues facing the Government of Canada and the people of Canada today, all the challenges that we face in an economic downturn where there is work to be done? Why is our Parliament occupied today with a bill that does nothing to advance the rights and freedoms of Canadians, but fundamentally erodes, threatens and chips away at those fundamental rights and freedoms? It annoys me that we are seized of this issue and not the many pressing issues that face our government and our country.

This is a pressing issue, though, in one sense in that we are under attack in this regard. I can only speak to the report stage amendments, but I will preface those remarks by saying that I have been a personal victim of some of these erosions to our Canadian right to privacy. It has been referenced before by previous speakers, for example, the member for Western Arctic, who has been perhaps the singular champion of Canadians' rights in the process of this debate, and also my colleague from Vancouver East, who approached the same subject.

I am talking about a graphic, local, current and topical example of the erosion of the right to privacy with the do not fly list. If there has ever been a more egregious and graphic illustration of an erosion of our Canadian national sovereignty and an intrusion by the long arm of the American national security program across our borders and into our sovereignty, it is the do not fly list.

I was on that do not fly list. I am still on that do not fly list. The only way I can get on an airplane in Canada, even to fly within our country, is to deliberately misspell my name. That was the solution they came up with because we cannot fix it. It is resident in Washington, D.C. or somewhere in the United States. Believe me, our Department of Foreign Affairs, our Minister of Foreign Affairs, everybody I could go to tried to get my name off this do not fly list. Nobody could because it is not our list. It is an American list. An American list is stopping a Canadian member of Parliament from boarding a plane in Winnipeg and flying to Ottawa without ever going out of Canadian airspace. That list blocks me from doing so.

When I try to get my boarding pass, airline staff at the counter who know me by my first name say, "Sorry, Pat, the red light is up here. I can't issue a boarding pass for you". Why? Because the do not fly list has kicked in, and 45 minutes later, they phone these numbers in the United States and get the clearance to get permission for me, a Canadian member of Parliament, to fly within Canada. It is absolutely absurd. This is the road we are going down, and the contrast that exists here should be glaring to most Canadians.

We have a federal government that is so obsessed with the right to privacy in some capacity that it is actually doing away with the long form census, because somehow it is an intolerable invasion of one's privacy to ask how many people are living in one's home so that the government can design social service programs that are proportionate to the need and demand of the population.

• (1030)

However, somehow it is okay for the Government of the United States to know not only that someone is flying on a particular day but also to know the person's credit card information, with whom the person is travelling, the hotel he or she will be staying at, other booking information such as tours or rental cars, and the person's personal health information, one of the things that nobody has a right to know except the person and his or her doctor.

Even though the Conservatives are so offended by the long form census that might ask how many washrooms one has in one's house, they think it is okay for the United States not only to have this information but to hold it for 40 years without the individual having any access to it. There is no avenue of recourse. There is no grievance procedure if the list happens to be erroneous. If errors have been made, an individual will never know and there is no ability to correct the errors.

Perhaps most egregious is that this information can be forwarded to the security service of a third nation without the consent or notification of the other signatory and certainly without the consent of the individual Canadian. This is a compromise of our national sovereignty the likes of which we have never seen. With the globalization of capital, we must be ever more vigilant that Canadian sovereignty is not eroded. We do have a border and Canada is distinct and different from the United States. We have a right to control our own destiny without intrusion and interference from the behemoth south of the border. It makes me mad even as I speak about it.

There should be a new era of Canadian nationalism and sovereignty, not the reverse. We have watched the Conservative government make strong noises about our Arctic sovereignty, even the sovereignty of the seabed below the Arctic Ocean. It is taking great steps to protect that.

We have heard the Conservatives talk about protecting the sovereignty of our airspace. One of the justifications for their exorbitant investment in 65 new F-35 jet fighters is that they will be able to patrol the sovereignty of our airspace, et cetera, yet they are willing to compromise the most fundamental principle of Canadian sovereignty by allowing another nation-state to interfere with the free movement of not only goods and services but people of this country. It is appalling. Canadians should be shocked that we are wasting the time of Parliament debating this particular bill.

There is no evidence that these draconian measures being proposed by the United States and other nations that wish access to this information will make the world more secure or help fight terrorism. There is no evidence partly because if there has been any interception of terrorism by virtue of this sharing of lists, we would never know anyway because it is all done behind closed doors.

Government Orders

But there is evidence of how disastrous the consequences can be when mistakes are made. Without the oversight and the scrutiny of any regulatory body, we will never know, I suppose, the number of mistakes, but we do know mistakes could be made and we will never be able to monitor or correct those. The most egregious example, I suppose, in recent Canadian history is the case of Maher Arar as a graphic illustration of the rights of Canadians being undermined by an over-zealous American national security initiative.

The NDP is opposed to this bill. We sought to make amendments at committee stage. We are seeking to make amendments at report stage. The bill in its current form should be rejected by Canadians and those people who are charged with the responsibility of representing Canadians, the members of Parliament in this chamber. This bill should go no further than the vote at the current stage.

• (1035)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I thank my hon. colleague for being in the House of Commons today because he would have had to fly here, obviously with the permission of someone in the United States. I would like to thank the United States administration.

Recently we had a debate about senators being able to trash members of Parliament through their ten-percenters across the country. Conservative members are famous for sending a tremendous amount of mail-outs to their ridings.

I would like to ask my hon. colleague from Winnipeg Centre if he knows of any Conservative member in the House or the Senate who has sent a ten-percenter to his or her constituents telling them that the government is going to give their credit card information, health information, hotel information, everything about them to the United States of America and through a secret firm the United States will transfer that information to who knows where? I am wondering how many Conservatives in the House or the Senate have actually sent that information to their constituents.

Mr. Pat Martin: Mr. Speaker, the member for Sackville—Eastern Shore has raised a very interesting question.

I wonder how proud the Conservative members of Parliament in this chamber or the other chamber are of this intrusion into and erosion of the privacy rights of Canadians. I wonder if they will be using their extraordinary mailing privileges to brag and advertise what they did when they went down to that trading session. Somebody mentioned what terrible negotiators they are. It is like *Jack and the Beanstalk*; they went down and traded their cow for three beans or something. The Conservative members did not come back with something to the advantage of Canada. They came back with this appalling policy, much to the detriment of Canadian rights and freedoms.

It is an appalling situation that the Conservatives were carpet bombing other ridings with their political propaganda. Now that they have actually overdone it to the point where they have been prohibited from doing so, they are allowing their colleagues in the Senate to mail propaganda to ridings such as Winnipeg South Centre using the Senate mailing privileges. That is one example I know of.

My Liberal colleague is getting hate mail essentially from the Conservative members in the Senate regarding her voting record on

issues before the House of Commons, and that is funded by taxpayer dollars. The Conservatives should be ashamed of that communication strategy. As well, they should be ashamed of Bill C-42.

• (1040)

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, is my colleague aware of whether the government at any point in time in these negotiations with the United States even bothered to ask for reciprocity? Not to say that I necessarily agree with that or would even agree with the deal if there were reciprocity, but I find it rather extraordinary that the government would bend over backward and offer something to the United States that I think significantly affects Canadian privacy and would not even ask for the same thing in return.

Again, I stress I am not suggesting that even that would be a good thing, but just in terms of process, I would like to know if the hon. member is aware of any effort in that regard on the part of the government.

Mr. Pat Martin: Mr. Speaker, to our knowledge the Government of Canada did not demand reciprocity. At least that would have softened the impact in some sense. We believe there are far more Americans travelling through Canadian airspace than there are Canadians travelling through American airspace. If there was any reason, logic or demonstrable need for this information to be shared, surely what is good for the goose is good for the gander.

To our knowledge the government went into those negotiations essentially taking direction from the United States as to what needed to be done. The Conservatives sold the farm. They sold us out. They sold out on the privacy rights of Canadians for very little in return.

The last thing I will mention is that in this list of things that we have forfeited, the United States may in fact unilaterally amend the agreement as long as it advises the European Union of the change. There has already been one amendment. We would be bound by those amendments made without our involvement or participation whatsoever.

We have signed on to a pig in a poke here. It remains to be seen just how badly our privacy rights have been compromised.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I am proud to rise in the House today to speak on this bill.

One of the most disturbing pieces of legislation the government has brought forward is Bill C-42. As I understand it, Bill C-42 amends the Aeronautics Act to allow airlines to send the personal information of passengers to foreign countries. The information to be forwarded will be determined by the requirements laid out in a secret agreement with other countries.

Imagine, it was the current federal government that cancelled the long form census, because it was too invasive of Canadians' privacy, but it is now trying to pass a law to hand over to foreign security agencies undisclosed information about Canadian passengers who may not even be landing on those countries' soil. This secretive government, which is so eager to divulge its citizens' private information to other governments, will not talk about these secret agreements, but we have some understanding of similar information transfer agreements between the European Union and the United States and they are all very troubling.

Government Orders

We know that the agreement allows the forwarding of a passenger's name record, which is the file a travel agent creates when the passenger books a vacation. This file could include credit card information; the name of the person a citizen is travelling with; hotel details and other booking information, such as tours and car rentals, et cetera. This agreement also provides details of any serious medical conditions of passengers.

The information collected can be retained by the United States for up to 40 years. This information may be forwarded to the security service of a third nation without the consent or notification of other signatories. I will dwell on this because it particularly concerns me.

Canada has signed another secret deal with one of the countries that is on this list, and that is Brazil. The secret agreement that was signed concerns the Investment Canada Act. Now we would be sending information on all Canadian citizens who fly over the United States to this country. It was this country that came to Canada under a secret agreement and then put our workers on strike for one year and used scab labour. This same country was given \$1 billion by the Canadian government so it could lay off most of its employees in Thompson, Manitoba. Now Canada is going to send to this country all of the information about Canadians who fly to the United States. I think it is unreasonable that we would be sending this information to this country in particular.

No person may know what information is being held about them by the United States and may not correct that information if there are errors. I will also dwell on this.

We had a very good example by our colleague from Winnipeg a few minutes ago. An error was made on his information and it cannot be corrected. This information can be kept for 40 years. Our colleague from Winnipeg is stuck for 40 years. I am sure he is not the only Canadian who had mistakes made, and this is going to increase if we sign this agreement.

The United States may unilaterally amend this agreement as long as it advises the EU of the change. In essence, this bill would allow data mining of Canadians' personal information by foreign security services.

We know that Canada is being bullied by the U.S., that unless this bill passes, the United States could close its airspace to Canadian aircraft. The truth is that Canada and the United States have a long history of co-operation in politics, economics, defence, security and culture. We know that the United States cannot simply cut off its airspace to our flights and passengers. That is simply not realistic.

● (1045)

The government could do better for its citizens, but it is not. We on this side of the House are dumbfounded as to why the government, which bills itself as a great defender of our privacy, would so readily abandon our rights. It is utterly shameful.

I want to stress that this debate is not an ideological one. Its significance is due to the extent to which the federal government would go in relinquishing our rights without any disclosure to its citizens. This is truly a bad piece of legislation.

Do not take my word for it. I will read what others have had to say about this legislation. Roch Tassé, the national coordinator of the International Civil Liberties Monitoring Group, has stated:

After running a risk assessment for each passenger using data-mining technology, the Department of Homeland Security in turn issues a boarding pass result back to the airline. The result instructs the airline to issue a boarding pass, deny permission to travel, or issue enhanced screening requirements.

These regulations give the U.S. access to a whole subset of information on air passengers who are not entering the U.S. but merely overflying its airspace.

Another witness at committee has noted:

Furthermore, this information can be shared among at least 16 U.S. agencies and with foreign governments. The program gives the government of a foreign country a de facto right to decide who gets to travel to and from Canada, since the vast majority of Canadian flights to and from Europe, the Caribbean, and South America overfly American airspace.

There are many cases that involve Canadians. Canadians have been denied boarding by the U.S. Even domestic flights in Canada have been reported. These cases include several individuals who have been deemed by Canadian courts and commissions of inquiry not to pose a risk to the national security of Canada.

Dr. Mark Salter, associate professor at the School of Political Studies of the University of Ottawa, had this to say:

Governments want this information so that they can build profiles of not just risky passengers but safe passengers as well.

He went on to say:

What worries me about this particular legislation is that the data not only go to the destination country but may go to all states that the airline might fly over. That, I feel, is the significant change that this legislation brings, and it worries me a great deal.

He is right when he says:

...I think it is dangerous to sacrifice our privacy and our freedoms for the dream of zero risk or perfect security. This particular measure does not provide additional security for the aviation sector, and it places an additional burden on Canadian citizens who are flying.

Mr. Edward Hasbrouck of the Liberty Coalition, a U.S.-based civil liberties group, stated:

You should be very clear that the enactment of Bill C-42 would grant to the U.S. government de facto veto power over the ability of virtually anyone to obtain sanctuary in Canada, since in most cases it's impossible to get to Canada to make a claim for political asylum or refugee status without overflying the U.S., and that power of the U.S. would be exercised at the worst possible point: while a refugee is still on the soil of and subject to the persecution of the regime they are trying to flee.

I want to speak about one point that my colleague from Vancouver East touched on. She said there were six points and she touched on one. I would like to touch on the second point, the information quality and proportionality principle. Information should be accurate and, where necessary, kept up to date.

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•(1050)

I just want to inform the House that if this information is not accurate, we cannot make any changes to it. How many Canadians will this affect? We know there are many Canadians who fly regularly over the United States. It will result in more and more mistakes, and these mistakes will not be correctable.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, I greatly appreciate the people who are speaking against the bill today. It is extremely important to recognize the lack of security that would be a part of this and the fact that the amount of information that would be provided would actually surpass what we should be providing.

I just want to refer to the European Commission of 1998, which put forward six key principles that must be included: the purpose limitation principle; the information quality and proportionality principle; the transparency principle; the security principle; the right to access, rectification and opposition principle; and the restriction on onward transfers principle.

Bill C-42 does not include any of these protections. Under the bill, it is open season on the private information of Canadians. We know what happens with that. We just have to look at Maher Arar. He was detained for over a year for being on a list.

My question to my colleague is, could he elaborate on the difficulties that families would have in trying to get their loved ones back, should this information be provided?

Mr. Claude Gravelle: Mr. Speaker, my colleague refers to private information in her interesting question. When mistakes are made when governments are collecting private information, as I stated a while ago, this information cannot be corrected.

The bill will therefore prevent a lot of people from travelling outside of Canada. That is not correct and it is something that we have to correct.

As I stated a while ago, the government claims to be the protector of private information. We witnessed that claim with the cancellation of the long form census, but now it is willing to give all types of information to foreign countries, and that has to be stopped.

•(1055)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I certainly do have a sensitivity to the privacy issues and the potential misuse of information, but I think the member has maybe inadvertently misled the House with regard to the exact information that is required to be disclosed under this bill and under the agreement with the U.S.

I wonder if the member would care to share with the House exactly what he thinks the required disclosure is, pursuant to Bill C-42.

Mr. Claude Gravelle: Mr. Speaker, I did not misinform the House. The following is what is required when information is given out: a person's credit card information, who they are travelling with, what hotel they are staying at, information about their going on tours and renting a car, and information about any serious medical conditions they have. All of this information will be given out, but it is information that is not necessary.

My colleague asked me what information I think should be given out about a Canadian citizen. My answer is simple: none.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the right of privacy, the right of due process, the right to be able to confront one's accuser, these are fundamental principles of western democracy and the rule of law. The Conservatives obviously do not believe in them and neither do the Liberals.

I ask my hon. colleague why he thinks this parcel of rogues has sold out our nation? At least the original parcel of rogues got some gold and silver, but these guys gave away our rights. They are giving away our citizens' privacy for what? We have nothing in return.

What possible motivation could the Conservatives and their pals in the Liberal Party have for selling out the right of privacy of Canadian citizens?

Mr. Claude Gravelle: Mr. Speaker, that is a very good question and it is impossible to answer it.

What reason would the Conservatives have for wanting to give out our personal information, especially after the fact they cancelled the long form census because it was too invasive.

What is their reasoning? We do not know what their reasoning is, and the hon. member for Timmins—James Bay is correct. They are just a bunch of rogues.

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, I am pleased to join in the debate on Bill C-42. It really is a fundamental question about the right of Canadians to privacy versus some other foreign national government's decision, whether it be the United States, or some other third party such as Colombia or Panama or any other country around the world that wishes to have the personal information of me or anyone else in our country who chooses to travel by air.

I find it quite astounding that somehow we think that giving this information up is okay and we can trot out security as being the justification for giving up our private information.

Where does it would stop? Some would say that it is just our names, the hotel we are going to, whether we are renting a car and where we are going to travel in that country. We know there are sophisticated programs in place that could develop profiles about people. However, profiles can be false. I remind the House that there are a number of us who have similar last names. I and the member for Tobique—Mactaquac have the same last name, but we ensure in the House that we identify the member for Welland or the member for Tobique—Mactaquac. The same is done for others whose names are similar.

However, as my colleague and friend from Winnipeg ably pointed out, what we see is that where mistakes are made, they cannot be corrected. Therefore, if a person has a similar name that may sound like someone else's, that person ends up on a list. As my friend described his case earlier, travelling from his Winnipeg riding to his workplace in Ottawa became a great challenge based on being misidentified. Imagine how many other folks have been misidentified.

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We know about Maher Arar and the absolutely heinous crime perpetrated against that individual by misinformation that was passed from government to government. Yet they were supposed to have the ability to do it well.

Now airlines will pass information to government agencies and we will not know where it goes. We will not know who they share it with. It could be other foreign national governments. It could be other agencies within the United States or within other foreign national governments. Yet as individuals we will have no control over our information and we will not even be able to come to our own government. People could not come to us and say that they needed us to help them control what had happened to their personal information because these agencies had it wrong and thought they were someone they were not.

As representatives of the citizens of our country, how do we protect the sovereignty of this nation and those citizens if we cannot correct the information that we helped deliver to a foreign national that got it wrong, when it simply puts up the roadblock, puts its hands in the air and says that it is sorry but that is the way it is going to be?

I remind my colleagues of the days in elementary school. One of the activities that many teachers used to give elementary school children was to whisper a story into the ear of the first child in a row and ask each child to whisper it to the next and pass it all the way through. By the time it came out from child number 23, the class would see how close it matched the original story. I believe, as that information goes from one government to one agency to a second agency to a third to a fourth to a fifth to another government then another government and its agencies, by the time it is finished I am not sure who they think I am anymore.

If it is our sense that somehow we are keeping terrorists out of the sky, we are really mistaken. That will not prevent folks from doing that. Folks who intend to perpetrate heinous crimes find a way to work outside of the system.

My friends in the government are always keen to talk about the long gun registry and how it does not prevent crime because criminals do not obey the law. Terrorists do not obey the law. Developing a law to give information to someone will not prevent terrorists from simply saying that they think they will become Mr. or Mrs. so and so today.

● (1100)

We know how easy it is in this Internet age to steal identities of other people. In my case, I would hate for someone to steal my identity. I could end up, like my colleague from Winnipeg, thinking I am going on vacation with my family and getting turned away at the airport. Because I am headed back to my ancestral homeland, going back to Glasgow, Scotland to visit with my aunts and uncles, I could find out that I cannot get there because I am about to fly over some foreign country. In this case it could be Greenland or Iceland.

I could be told that my name is on a list, unbeknownst to me and because of someone else who decided to misappropriate my identity. It could end up not being able to be corrected. We face this serious situation. Somehow we have not come to grips with it in our rush to simply give up the personal information of our citizens.

We are not asking for this to be done, by the way. There is no great groundswell of public opinion in Canada asking us to do this.

One of the questions earlier was about information. I believe the member for Sackville—Eastern Shore asked if the government was delineating this information in any kind of political way. Forget about the politics, the government ought to tell Canadians that it is willing to tell foreign governments all about them, that it is willing to give them the information of Canadians, that it is not going to fight to ensure Canadians can keep their privacy and that it is going to pass a bill to ensure their privacy is compromised. Let us see what Canadians have to say to us about that.

This is so far under the radar, no pun intended, that it is ridiculous. We need to inform our citizens that the government is about to compromise their privacy. They believe they have a right to privacy. The charter says they do have a right to privacy.

If citizens believe it and it is enshrined in law, why is the government compromising it, all in the name of “security”? I believe those who work for our security services, whether it be CSIS, the CBSA, the RCMP or the other agencies across this land, are up to the job. When people board a plane, folks have a sense of who they are. They have to identify themselves.

If there is an issue with me, if I have some difficulties with the law, security services will know that and they will then be able to do something about it.

We are contracting out, like we do with so many other things, the security and the privacy of Canadians to someone else. It could be to Panama, Bolivia, Guatemala, the U.S. or the EU. Our right is to our citizens. Our work is on behalf of our citizens. In my view we do not have the right to contract that obligation and that responsibility out to third, fourth, fifth, sixth parties. As they pass it around, that is exactly where it is going to go.

This is from testimony that came before the committee from some of the witnesses who talked about how this thing actually took place. It states:

After running a risk assessment for each passenger using data-mining technology, the Department of Homeland Security in turn issues a boarding pass result back to the airline. The result instructs the airline to issue a boarding pass...

In other words, someone in Canada is looking to get a board pass, the list goes somewhere else, to Homeland Security in this case because he or she is going to over fly the U.S. The U.S. Homeland Security will decide whether people can get a boarding pass, even though they are not going to the United States. They could be going to a destination wedding in Mexico. My family is participating in one next week for a very gorgeous young woman who I have known from the age of five.

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I cannot comprehend the thought of my wife and two daughters showing at the airport and somehow their names being on a list. They could get turned away and not be able to go to the wedding of that young woman, simply because someone in the U.S. said that their names were on a list. Their name would be on a list inappropriately.

We need to ensure we do the job in our country and do it well. I think Canadians expect us to do that. We need to ensure that our security forces are robust, and they are. We do not need the help of Homeland Security.

• (1105)

Homeland Security still thinks the 9/11 terrorists came across the 49th parallel and flew those planes into the Twin Towers. The bottom line is it was wrong. It was such a horrendous, heinous crime and yet Homeland Security cannot get it right. I do not know it can get Smith and Allen right quite frankly.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, this an important issue, considering that the Prime Minister will be in Washington on Friday negotiating even further enhancements of this type of information-sharing with the United States.

I refer to an article in today's *Globe and Mail*. It talks about key areas of co-operation that have been released out of a document that guides their discussions. One of the items is about tracking travellers. It was a conundrum to me as to why the U.S. government would allow an exemption for domestic flights when there is such a low level of security on domestic to domestic. Here is what the article says:

Countries would develop programs to better verify the identifies of travellers, including through "common standards for the use of biometrics" and shared information on travellers "in real time."

Will the Prime Minister be in Washington to strike a deal that would allow information about any Canadian on a flight to be shared with a foreign power? What does that mean to our privacy and our rights as Canadians?

Mr. Malcolm Allen: Mr. Speaker, my colleague from Western Arctic is a real champion of the privacy of Canadians. If it had not been for my colleague from Western Arctic standing up for the privacy of Canadians, I do not think anybody in the House would have. He has brought it to the forefront.

• (1110)

Mr. Peter Stoffer: I would have.

Mr. Malcolm Allen: Mr. Speaker, I hear my colleague from Sackville—Eastern Shore saying that he would have, and so would all New Democrats.

The bottom line is the member for Western Arctic is the champion who has said that ultimately we need to protect the privacy of Canadians because they expect that from us. They expect no less. New Democrats will ensure we do that. I encourage every other member in Parliament to do exactly the same thing.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the concern about privacy issues, whether it be under the Privacy Act or under PIPEDA, is of importance to the House. The Privacy Commissioner has opined that this is a reasonable accommodation,

taking into account the nature of the concerns between Canada and the U.S. and with regard to public safety and security.

Is the member aware of the position of the Privacy Commissioner? Does he believe she erred in her assessment?

Mr. Malcolm Allen: Mr. Speaker, let me answer the last part of the question first. I think the Privacy Commissioner did err.

The bottom line is there will always be a different point of view when it comes to the need for security, and I do not think anyone would argue with that. We have always had security.

I lived in a border town nearly all my life. Years ago it was good enough for me to tell border security on both the U.S. side and the Canadian side that I was from Welland and I was going to Pete's Pizza in Niagara Falls, New York. The security officers would tell me to have a good night. When I came back later in the evening with a car full of young people, and we know young people can be quite energetic, I told border security that I had been at Pete's Pizza. When an officer asked me if I had anything to declare, I said no. The officer told me to have a good night.

We have gone from that to the point where an individual needs a passport to get across because of some erroneous, fictitious folks in some countries who believe terrorists came from here when in fact they did not. The folks who destroyed the Twin Towers did not come from here, yet the Homeland Security chairperson still believes that.

Canada has been identified as a hotbed of terrorism in relationship to Mexico. How in heaven's name did that happen? Yet the Conservative government wants to share information on our citizens with senior U.S. officials who still deny history. It is astounding to me that would be the case. If senior leaders of the U.S. government cannot get it right, then surely to goodness we ought to pull back and tell them we will not share information on our citizens with their government.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, I was not going to speak to this given that I am not even on the schedule but I am on House duty and I used to be the critic for transport. In fact, I had the pleasure of being the minister for transportation issues when this bill was first proposed on the very last sitting day of the session in June, just before the House recessed for its summer break.

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As one can imagine, I was immediately outraged both by the process and the substance of the legislation. I note, with some pleasure, although with some astonishment as well, that the NDP today has arrogated to itself sole possession of the virtue of being the watchdog on people's issues. However, it was rather silent in June. In fact, its silence was only replicated by the deafening tomb-like response of government members on the following issues. Bill C-42 is couched a security issue. The government addresses all issues as matters of security and/or law, crime and justice. There is no other government agenda, none whatsoever, that anyone can discern. In fact, all issues relating to the economy, which it purports to hold as the closest and most important priority of the nation, take second place to security, crime and justice. All economic issues are tied to those but this bill fits in neither of those categories.

Bill C-42 does one specific thing. It alleviates the risk factor, the liability issues associated with revealing information on private Canadian citizens that airline operators might divulge without their knowledge to foreign states. Notice that I said "foreign states". I did not say the United States. I said foreign states because the bill was poorly drafted. It says that as long as a country can draft regulations demanding to know information that is in the possession of the airline operator on each and every one of its passengers and that airline operator overflies our territory, our airspace, it does not matter where we are, we have a right to demand it.

What the legislation says, notwithstanding the privacy regulations in Canada and the guarantees that we provide our own citizens within our own borders, is that the airline operator can provide passenger information to a foreign state if the plane overflies or lands there. That is all this would do. It would protect the airline operators from any civil suit for the breach of the privacy laws that we have taken great care to implement in this country and, in fact, which we promote everywhere as the hallmark of a very progressive nation.

I might be tempted in an unkind moment, and I am not there yet, to suggest that perhaps the government is treading marginally close to no longer worrying about the progressive component of the quality of Canadian life. However, as I say, I am not there yet so I will move on to the second thing that the legislation does.

The legislation speaks to the total inability of the government to negotiate with the one foreign state that matters to all Canadians, our neighbour. It matters not because we have an economic relationship that we have not nurtured well but take for granted because we are in the same hemisphere and share a common border, most especially in the central Canadian Great Lakes Basin, because that is where the greater part of the population lives, or even out west where the border is long. The Americans defined it in a fashion that is pejorative but I like to think of it as progressive, that it is open and people actually talk to each other across a fence that does not exist.

The bill does not erect a fence but it does say something about the Government of Canada. I am getting close to that unkind moment now so I need to be forgiven if I breach that aura of kindness that I wanted to envelope myself in and name the type of government we have. However, I will not do it yet.

• (1115)

The legislation does not say that we will erect a fence. This is not a security issue. This says that the Government of Canada heard the

Government of the United States plead with it for the better part of three years by saying that it will enact homeland security issues that will infringe upon Canadian sovereignty and that the Government of Canada should take note, submit its objections or put in place legislation that will take this into account.

Can members guess what happened? The government snored for three years and then last June suddenly woke up to the fact that homeland security had said that Canada needed to have legislation in place by the end of December for passengers flying over American airspace.

My colleague from Winnipeg, who flies to Ottawa, does not land in the United States. However, he says that his aircraft may fly over the northern tip of the central northern United States, which means that the U.S. would want to know everything that the airline has about him. He is not going to the United States and is not landing or transiting through the United States. He is going directly to Ottawa or Toronto.

The problem is that the shortest distance between Winnipeg and Toronto will probably see that aircraft carrier, for economic reasons, use American airspace. Now the airlines would need to give up information about Canadians who travel from one part of Canada to another part of Canada. The Americans are saying that our airlines should either go around their airspace and pay more or they can come through their airspace and let them know who everybody is.

The Americans were right to do that but we were wrong not to have objected. We were especially negligent in not taking the opportunity to negotiate with them when they invited negotiations. Now we must protect our airlines because of our own negligence. I should not use the first person plural pronoun anymore because it is no longer "our government". It is the Conservative government that is less than progressive, totally negligent and derelict in protecting the rights of Canadians.

The government is now saying that it has to protect. Who? Is it the Canadian citizen? It is the corporate citizen first and foremost. In this sense, this now becomes part of an economic issue because the corporate interests of any aircraft carrier needs to take precedence over privacy issues.

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The third thing about this bill that grated on everybody was that the Conservative government was not only negligent in its duties and obligations in accepting an invitation, but it was totally incompetent in its negotiations once it was given the final verdict. The Americans said, "Please, do you want to trade something off?" We have lots of things to trade-off but the government chose not to trade-off with whatever leverage the people of Canada had with the Government of the United States on its perceived needs. The government did not do that, but came forward with this legislation. In so doing, the government has now opened us up to every other interest, any country around the world that Canadian carriers fly over.

Is it the Americans' will to harass us to do something? It is not a problem. As they would say, they have regulations and they want the information on those travellers. I am not exaggerating. We were just kicked out of Camp Mirage. Two of our ministers were not allowed to go over Emirates' airspace because it had a problem. What did the Conservatives do by way of negotiations? They got down on their knees and begged forgiveness.

I want to compliment my colleagues from the Liberal Party who sit on this committee for having introduced a couple of motions that would mitigate the absolute atrocities that the Conservative government was trying to perpetrate last June on the people of Canada. My colleagues on that committee deserve to be complimented and I look forward to hearing their advice on where we go from here.

• (1120)

However, these are the initial impressions that Bill C-42. If I were sitting on that side of the table, I would be embarrassed. They have forgotten about Canadians, they have forgotten about our interests and they have promoted everybody else, in their negligence.

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, I will quote a couple of things said by a witness who was before the committee talking about this bill. The witness stated:

[Bill] C-42 raises important sovereignty issues. ...the Canadian government has a duty to protect the privacy and civil rights of its citizens.

Who was that witness? Jennifer Stoddart, the Privacy Commissioner, Office of the Privacy Commissioner of Canada. The Privacy Commissioner has said that the government has a duty to protect the privacy of Canadians. Since this is a sovereign nation, and I know I certainly agree with that statement, does my colleague agree with it too.

Hon. Joseph Volpe: Mr. Speaker, I am sure my colleague thinks that asking a rhetorical question means that he has set a trap from which I cannot escape. However, he will probably already know that I invited a colleague from his caucus to join with me. When the government thought it was so important to prorogue Parliament, destroy the democratic rights of an open parliamentary system last spring, I invited the NDP colleague from northern Arctic to co-chair with me a round table on security issues where the Privacy Commissioner did come to present her views that we sought, that we elicited and that we absorbed, not only her views but also those who are experts in security issues.

Did we frame an appropriate approach to this? Of course we did. When we get expert opinion that is not tinged by partisanship, it is

valid and it is valuable and we operate on valid and valuable information.

• (1125)

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, I have been looking at this matter and I am not sure whose interests it would serve for the bill to be defeated and for Canada not to be able to comply with the U.S. security requests. I am not sure whose interests it would serve for Canadian flights not to be able to enter the United States or even to overfly the United States. However, the one thing I am sure about is that it would not be in the interests of those Canadians whose jobs depend on commerce with the United States and it would not be in the interests of those Canadians who want to visit the United States or to fly over the United States for this bill to be defeated.

As to privacy concerns, my learned colleague across the way is obviously familiar with the great rules regarding privacy that Canada has instituted. I wonder if my friend would care to comment on whether or not Canada's Privacy Commissioner will in fact be following the progress of this bill and the implementation of this bill and will alert Canadians if she has any concerns.

Hon. Joseph Volpe: Mr. Speaker, this is not about the rights and powers of the Privacy Commissioner because she will not be able to enforce any infringements of the Privacy Act against the Government of Canada or, indeed, against the United States or any interested parties in the United States.

However, this is not about the Privacy Commissioner. Yes, we did, before the bill came before this House, engage that Privacy Commissioner in dialogue and in consultation. I actually called her after I saw Bill C-42. She expressed some concerns that the government did not take into consideration all of the consultation that she provided. It is unfair for me to say anything beyond that because it was a private conversation. However, the issue is not about the Privacy Commissioner, nor is it about whether we will limit the commercial rights of Canadians and Canadian companies.

The first issue is that the Government of Canada waited until the middle of June before the House rose in order to come forward with an issue it now says is a security issue and a commercial issue when all it is about is the demands of the Americans that it was forewarned about many months before and did nothing about.

The second issue is that it is not about security. It is about the commercial liability risks of our commercial operators, aircraft operators, who comply with American law. They are not doing anything illegal but they need to choose between one law and the other. This is to absolve them of any risk in Canadian law. I do not know how that advances Canadian interests but maybe my colleague would like to expound on that.

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, we find ourselves in a rather difficult position because although we have significant concerns about the privacy of Canadian travellers, the government, through its failure to do anything to protect those interests, has allowed us to get to the point where we have, in effect, become hostage to demands from the United States.

Government Orders

Canadians obviously now are faced with concerns about commerce and the challenges to travel, but where on earth was the government when this issue first came up? This is not the first time, either. The Conservative government seems to be far more interested in placating or pleasing the United States than in even listening to Canadians' concerns.

A number of my colleagues have proposed some significant amendments, which I am very pleased about. My hon. colleague from Eglinton—Lawrence was extraordinarily eloquent in describing the concerns about Canadian privacy. I have a much larger concern, which is how we got here in the first place.

When the Conservative government was first asked to agree to this, it did not even ask for reciprocity. How is the government acting on behalf of Canadians when it will not even ask for fair and equal treatment for Canadians? I find it appalling. This is another example of the government's apparent desire to please the Americans rather than listen to Canadians.

Another example is the fact that the Prime Minister is in the process of negotiating a security perimeter agreement with the United States. He is doing it in the United States. He is doing it with the Americans. He is not speaking with Canadians about this. He is not answering any questions about what this might mean. Once again, it is all in the guise of security.

At some point Canadians are going to have to take a stand and say that using the word "security" and spreading fear that somehow we are under attack at all times is simply not true in Canada. It is wrong to make the people of this country fearful all the time. It is just not right. It is also particularly offensive to me to use the word "security" and fearmongering as a foil to hide the failures of the government to do so much more with the United States.

Although the bill deals with aeronautics and air travel, it is more of the same in what the Conservative government has not done in terms of trade. For example, the security perimeter is being billed as the answer to the thickening of the Canada-U.S. border and that this is something we should agree to, even though we have no idea what is in it as we were not part of the discussions. That is reserved for the Prime Minister and the Americans.

We are being asked to support this. We are going to be asked to support an idea of a North American security perimeter because it will enhance trade and help reduce the thickening of the Canada-U.S. border from a trade perspective.

There has absolutely been a thickening of the border. Liberals do not disagree with that at all. For many Canadian businesses, whether in the agriculture or agrifood sectors, all sorts of other businesses, as well as Canadians travelling back and forth, there has been a significant thickening of the border, which has created lots of problems and, indeed, many jobs lost in this country. To say it is entirely due to security is completely false.

Onerous country of origin labelling rules have absolutely nothing to do with security. Buy American legislation has nothing to do with security. The proposed legislation in the United States to deal with foreign trade representatives is extraordinarily protectionist and has nothing to do with security.

● (1130)

Increased fees to simply get across the border have nothing to do with security. There are all sorts of examples of how the border has been thickened, not because of security, but because of protectionist sentiment in the United States which, thanks to the most recent elections, has only increased.

A number of people think that the Tea Partiers are somehow more Republican in the sense of being more open to free trade. On the contrary, I am afraid a significant number of the Tea Partiers, and a significant number of the new congressmen and women, are more against trade than their predecessors which is of real concern to us here in Canada. The government simply seems to let it go.

We have done very little, we being Canada, and I put the blame squarely on the Conservative government. The government has not been on the ground in Washington. The current ambassador has been doing yeoman's work, but he is one person. We have not been on the ground nearly enough, negotiating and lobbying. Yes, lobbying, because that is how the American government works. We have to be on the ground to protect Canadian interests. We have to be on the ground in Washington. We cannot just respond and at the last minute expect to accomplish something. We have to be on the ground. We have to be working with the Americans. We have to explain why Canadian interests are important to them and how that affects their interests in return.

We have to be working at the state level. It is simply not enough to do a photo op in Washington. We need to have Canadian representatives working on the ground at the state level with the governors, with the congressmen and congresswomen in Washington, but we need to be on the ground doing far, far more.

I will bring that back to the question at issue today. Has anyone been doing that? Has there been any effort in the United States to protect Canadians' interests? Has anyone said that we do not think the United States should have all that information about Canadians, simply because they are flying over the United States, that we have some real concerns about that?

As my colleague described, we worked very hard to establish legislation to protect the privacy of Canadians and we are very proud of that legislation. In one fell swoop we ended up being held hostage in such a way that we have to exempt this particular situation from the protection of privacy of Canadians.

The government seems far too interested in pleasing the Americans, listening to the Americans and adhering to American interests. I have nothing against the Americans, but in this situation we are sacrificing the interests of Canadians in order to please the interests of the United States. That is simply not acceptable.

● (1135)

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, I would like to ask my learned colleague opposite whether in their 13 long lost years of government the Liberals ever proposed that the Americans should not have control over their airspace? That is my first question.

Government Orders

Second, does my learned colleague opposite have some inside information to back up her accusation that Canadian diplomats, skilled lifelong career civil servants, did not negotiate as hard as they could for the best treaty they could get on this issue? Does she have some inside information that she would like to table with the House? Although she may think that Canada can dictate terms to the United States, our career diplomats would tell her differently.

Ms. Martha Hall Findlay: Mr. Speaker, the proof is in the pudding. We would not have a buy America act if we had enough people representing Canadian interests on the ground before it happened. The buy America act and the response, by the way, that only includes 37 of the states, so even then is incomplete, was a reaction after the fact. People were scrambling.

The fact that we have had such difficulty with protectionist sentiment and protectionist legislation in the United States is the problem, and if we have that problem, we know we are not doing enough.

It is not a commentary on the diplomats who are there. The ones who are there are very capable, but we simply do not have nearly enough resources or the will on the part of the government to do it.

Second, in terms of the Liberal government, I would assure the hon. member that if, in a Liberal government, we had been asked to sacrifice the privacy of Canadians in this way in terms of control over airspace, the Americans have control over airspace, just as we have control over our airspace. This goes further and we are now being held hostage. If a Liberal government had been asked to do this, we would have asked how we could work this out so we did not accede to this and sacrifice the privacy of Canadians.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, what the member said was well known at the committee.

I put forward an amendment to the bill which would have been a three-year drop-dead clause to ensure that after three years the government would have to renegotiate this and that we would not be tying Canadians' privacy to a bad bill for eternity. Why did the Liberal critic at the transport committee refuse to go along with the drop-dead clause?

• (1140)

Ms. Martha Hall Findlay: Mr. Speaker, I appreciate the question and the effort of my hon. colleague in dealing with this issue.

I will not speak for the critic in that regard. My preference in this now, because we have reached a stage given the concerns about commerce and air traffic, where we are being held hostage. We have arrived at this point too late.

Having said that, my hope is that over the next little while, and hopefully after a change of government whenever that might happen, there will be a much greater effort to work out a solution with the United States to address these concerns in a much more effective way.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I do not know this for sure, but I may be the only member of Parliament here who actually worked in the airline industry for over eighteen and one-half years. I can say that if airline industry executives have told members of Parliament that we have to do this in order to keep our routes in and around the United States, it is

absolute nonsense. They are deliberately misleading the members of Parliament, especially on that committee. If airline executives have said that not going along with Bill C-42 would hurt their business, it is simply not true. It is false.

Let us think about this. The economies of Canada and the United States are intertwined. We need each other to keep our economies going. The last thing we want to do is involve even more red tape and harassment to hurt business.

When I worked in the airline industry, people could park their cars in the lot and 10 minutes later they could hop on an airplane and off they would go. Now people have to be there well over an hour and sometimes even a few hours before the flight. People have to go through security and pat-downs and provide all sorts of information just to fly from Halifax to Charlottetown.

What are we saying? There are flights from Halifax to Jamaica which fly down the coast of the United States. Are we saying that in order for the United States to feel safer we have to give some unknown person in a building somewhere the passengers' credit card information, health information, the resort they may be staying at, and what car they may be renting? What utter nonsense.

It is amazing that the Conservatives over there and the Liberals on the committee at that time are saying we do not want the long form census because it is an intrusion of Canadians' privacy. We certainly do not want to know how many washrooms are in people's homes, but we will give people's personal information to the United States, which could share it with other countries.

There are flights from Vancouver to Whitehorse, from Vancouver down to Mexico, from Vancouver to Jamaica, but the fact is that 10 times more flights from the United States fly over Canada than flights from Canada fly over the United States. Did we ask the Americans to give us their passenger information? No. Why? Because we do not have the financial resources or even the wherewithal to collect all that information. As well, what would we do with it?

People travelling from California to Amsterdam fly over Canada. I do not think our constituents care about the credit card information of the guy sitting in seat 21-F. I do not think our constituents care what hotel he is staying at in Amsterdam. He is an American passenger travelling to Europe, yet he is flying over Canadian airspace. I do not see Canadians freaking out over that. However, if we fly from Halifax to Jamaica, Cuba or wherever, the Americans need to know everything and we are going to give the information with no reciprocity.

Government Orders

Here is something. The veterans bill of rights says that veterans have a right to have their privacy protected under the Privacy Act. I will use the example of a group of veterans who live in Nova Scotia. After serving their country well in Afghanistan, they want to take a vacation. They want to go to Jamaica for a couple of weeks to wind down. All their private information, including the hotel where they are staying, car rentals, their credit card information, their medical and health information will be given to the Americans. Why? Now we are breaching veterans' rights.

I ask all parliamentarians, especially the Conservatives, to send out their ten-percenters and householders to all their constituents and do an op-ed piece. They should get on the talk shows. They should tell their constituents why somebody in the United States needs their personal credit card, health and travel information if they are not even going to the United States, but are going past the United States. It is incredible. It is absolutely ludicrous.

For those in the industry to say that we have to do this to maintain their routes and maintain their economics in this regard is poppycock. It is nonsense.

● (1145)

The United States economy is suffering and our economy is not doing all that great. To say that the Americans are going to threaten that our flights will not be able to travel in U.S. airspace is just nonsense. We should call their bluff. I am not blaming the negotiators on this because we know they get their marching orders from the Prime Minister's office. That is how it operates.

For the life of me, I do not understand why the Prime Minister and the Conservative Government of Canada would authorize something of this nature. If the Conservatives are fearful, then they should tell Canadians why they are fearful. If it is based on economics, they should show us the facts. They should show us the proof that the United States will stop flights from leaving Canada to go to Cuba, Jamaica, Mexico, or wherever. They should show us that.

What are we going to do? Are we going to tell the United States that flights from California, Chicago, Atlanta, et cetera cannot fly over Canadian airspace? Are we going to tell them that? Of course we will not. It is nonsense for us to even contemplate it.

The economic burden of that would be too great for too many people. The reality is this is not what Canadians are asking for. I do not even think the average American is asking for this. There is a bunch of paranoid people somewhere demanding all the personal information of travellers even when they are not travelling to the United States.

We have to ask ourselves, why? Who is going to collect this information? What are they going to do with it? We now hear they can share this information with other entities around the world. Why? What is the absolute reason? It is not about security. It is not about making Americans safer.

I remember very clearly when 9/11 happened, and God bless all those people who suffered that day and all those who helped out. It truly was a sad day. Almost immediately the rumours were flying on Fox and CNN that the terrorists came from Canada, in fact, that they came from Yarmouth, Nova Scotia. Everyone believed it. Those

terrorists were nowhere near Yarmouth, Nova Scotia. People panicked. They freaked out and made accusations. There are probably still a lot of people down there who believe those terrorists came from Canada. It simply was not true.

My colleague, the member for Winnipeg Centre, who flies from Winnipeg to Ottawa, is on a no-fly list. How does that happen? How does a member of Parliament for over thirteen and one-half years get on a no-fly list? How does it happen?

As the member said, in order to get on a plane to come to Ottawa to do his job on behalf of his constituents and the people of Canada, he has to misspell his name. He has to not tell the truth. He has to get some sort of permission. He cannot get his name off the no-fly list. He cannot. I find it incredible.

If the Prime Minister does anything, he should tell Obama to get the name of our colleague from Winnipeg Centre off the no-fly list. That would be considered a good agreement. It is unbelievable that with a common name like his that could happen.

Also, there are people who are trying to get security clearances to coach soccer teams and other things. If they have the same birthdate as someone else, they have to wait, get fingerprinted and the whole bit just because they have the same birthdate as somebody somewhere else in the country. Where are we going on this?

In conclusion, I want to say very clearly that this bill should be dead right now. I would encourage my Liberal and Bloc colleagues, and I implore my Conservative counterparts as well, and do what is right for Canadians across this country. They should kill this bill now and protect the privacy and interests of Canadians once and for all.

● (1150)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, some of the assertions from members who have spoken to this bill could be summarized by saying that the U.S. has the sovereign right to control its airspace.

The committee heard from many witnesses, including the governments of the U.S. and Canada, the aviation industry, the Privacy Commissioner, and many civil rights groups. The list is very long. Their conclusion was very clear, that we had no choice but to allow the information to be transferred.

An hon. member: That is not true.

Mr. Paul Szabo: Mr. Speaker, I will speak on this because I have the testimony of the Privacy Commissioner here. The issue really comes down to the sovereign right to protect airspace. Is that something that is under challenge by the member, or is it simply the nature of the information that is being disclosed?

Mr. Peter Stoffer: Mr. Speaker, no one denies any sovereign nation the right to protect its sovereignty.

Government Orders

Let me ask the member a question. If America is so paranoid that it has to have my credit card and hotel information if I fly from Halifax to Jamaica, why then is he not worried about an American travelling from L.A. to Amsterdam in Canadian airspace? Why are we not asking for reciprocity on this one? Why are we not requesting all the sensitive and health information of American travellers? Why have we not asked for that? The reason is we do not need it. We do not want it and do not desire it because it will not protect us. It is not about security. It is about being paranoid.

What is most dangerous and egregious, and I can only make an assumption, is that the real reason perhaps is for commercial purposes, that the information may be used in ways for which it was not intended. That could be very dangerous.

I wonder why the hon. member will not stand up for the private rights of Canadian citizens. I would hope he could tell his constituents that this is a privacy issue. Canadians have a right to protect their privacy. If Americans have the right to protect their sovereignty, we have the right to protect Canadians' privacy.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskaing, NDP): Mr. Speaker, I really appreciate the speech my colleague just gave. The Aeronautics Act is an untoward invasion of the privacy of Canadians. The fact that the private information of airline passengers will be shared with other countries is quite a concern. Canadians should be worried about that.

I am wondering if my colleague could elaborate on the fact that this information will actually be shared with other countries that have corruption in these areas as well. We know there are corrupt governments out there. Why would Canadians want to have their information shared that way when we cannot have a census that would provide information to assist in programming and research?

Mr. Peter Stoffer: Mr. Speaker, this is not about the protection of sovereignty of U.S. airspace. First of all, why would the Americans want this information and then have the ability, without our knowing it, to transfer that information somewhere else? It is not about protection. It is not about enhancing security. It has to be for another reason. I can only anticipate, although I do not know this for sure, that it is for commercial purposes, that they would sell that personal information for whatever reason. It is not about security. It is not about protecting people. It is not about the economic opportunities between our two countries.

It is unbelievable that we as parliamentarians or the government will not stand up for the privacy rights of all Canadians. It is a shame and a sham and the bill deserves to be dead right now.

• (1155)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my interest in the bill is from having recently spent three years on the access to information, privacy and ethics committee, where I got to know a fair bit about the Privacy Act and PIPEDA, the Personal Information Protection and Electronic Documents Act, and their importance to the protection of Canadians' privacy.

Throughout this debate, a lot of assertions have been made that somehow a great deal of private information is going to be transferred consequential to a flight going over U.S. soil or through their airspace. It is not quite that straightforward.

Bill C-42 is a very short bill. In fact, the information is not prescribed in the bill. That has to be handled through the Aeronautics Act and through the regulations.

When I asked the question earlier, what information did the particular member who spoke on this believe was going to be disclosed, the member rattled off a litany of information, such as what hotel someone was staying at, and a whole bunch of other things. That is not correct. There is not this laundry list of information.

If a person wants to stand in the House and claim, "I am the defender of the privacy rights of Canadians", and to make general statements raising the spectre of a bogeyman and the invasion of privacy and say that, "I'm protecting them and I'm going to challenge this bill", there has to be some substance to it. Politically, it is easy to say, "I'm defending privacy rights". It is like saying, "I have the flag on my chest here and I'm going to protect Canadians". However, there has to be a substantive way that someone can demonstrate they are protecting Canadians. They have to protect Canadians against something, and that something happens to be information that we provide in many ways when we travel to the United States. We must have a passport these days, with our name, our address, our birthdate, our passport number, and information on everywhere we have travelled. The U.S. has access to that. That is as much information as will be given under the intent of Bill C-42 when someone is flying over U.S. airspace.

The issue was always whether or not there was an obligation or duty to respect another country's right to protect its own airspace. Indeed, when we look at the testimony before committee, and I have looked at the testimony from November last year, particularly the testimony of the Privacy Commissioner when she appeared, and a number of other witnesses, including representatives of the Government of the United States, the Government of Canada, the aviation industry, and a very large list of civil rights groups that had expressed concern about the disclosure of information, it is clear that the bottom line or conclusion of the proceedings of the committee was that there was no choice. We had to allow the requested information to be given.

Thus I guess some of the questions, and maybe members who are not sure may want to inform themselves by other ways, are: who is going to decide what information it will be, where that information is to reside, and when it is going to happen.

This whole thing was supposed to be in place by the end of 2010. It is not. We are carrying on here; we have not completed this bill.

• (1200)

However, I would refer the members to the committee hearings of November 18, 2010. Jennifer Stoddart, the Privacy Commissioner, appeared and gave a statement outlining very succinctly what we were facing.

Government Orders

Ms. Stoddart characterized Bill C-42 as a deceptively simple bill. It is short. It only has two clauses and only does one thing: it amends the Aeronautics Act to allow the operator of an aircraft scheduled to fly over a foreign state to provide certain personal information about passengers on the flight to the foreign state, when required to do so by the laws of that state. That is what it does. It is their right, and if a carrier that is resident of another country is not prepared to respect the rights of the destination country, or a country over whose airspace it travels, it has a choice. It can take another route. We cannot expect one country to dictate what the rules of the game will be in another jurisdiction, another country. That is their sovereign right, and we want to protect our sovereign right as well.

Arguments have been made that it should be reciprocal, that we should get their information too. I am pretty sure that we do in many ways already.

With regard to the specifics, I am looking at the testimony of the Privacy Commissioner and her suggestions, including to:

Ensure that the minimal amount of personal information is disclosed to American authorities.

Here the commissioner noted that the secure flight program, which is another program:

requires only three pieces of information. In particular, Transport Canada should work...to avoid excessive disclosures of personal information.

Of course, that is the role of the Privacy Commission, to protect the disclosure of information that is not essential or necessary for the point, and this is what has happened.

In questioning the Privacy Commissioner, the member for Markham—Unionville asked:

In respect of the minimal amount of information being passed to the U.S. government, are you suggesting that the Canadian government can have regulations to ensure that only the three basic pieces of information—name, date of birth, and gender—can be transferred to the U.S.? Is that what you're suggesting?

The Privacy Commissioner responded:

Yes. I understand that this can be specified under the Aeronautics Act. My understanding is that they would have to specify whether they want Canadian planes to continue to fly over airspace in harmony with what DHS [Department of Homeland Security] is asking for.

I think we have found ourselves in a situation where, if we want to drag out a bill, this is probably a good one with which to do it because it is very short, but it touches on an area that is an important concern, not only to Canadians but also to members of Parliament.

Privacy issues are a big topic, particularly with regard to things that we have studied about Facebook and Google and whatever, including the banking system. The velocity of information in our society is enormous, but we understand that in the United States, with the Department of Homeland Security that operates separately from transport operations, they do have an extraordinary latitude and a mandate to be able to give assurances to American citizens as well.

That is what the United States has done in requesting this accommodation to have this information, but if we are to debate the bill, we had better debate the facts of what information is actually to be transferred. It cannot be acceptable in this place to start saying that hotel addresses will have to be given out and the names of family members. That is not the case. Members really need some focus here.

I understand the fervour for protecting privacy, but we cannot just put it on our sleeves and say we are protecting the privacy of Canadians. We need to understand that we have some obligations.

This is not the only bill involved in our relationship with the United States. We have many arrangements with regard to the United States that work for our mutual benefit. They are not identical in all respects in the way in which they have a special interest, but we have taken a position to work with the United States to ensure public security.

• (1205)

I am sure my time is going to run out shortly, but the other thing that members will find if they look at the testimony of the Privacy Commissioner deals with the retention of the information. That is another area. Indeed, the Privacy Commissioner looked for retention periods of somewhere in the neighbourhood of seven years, mirroring our current practice.

I hope I have helped members to understand this is not that complicated.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, the member knows that for any flight actually landing in the United States, the Americans get passport information before the flight actually leaves the ground in Canada. This legislation would basically extend that same process to flights that are overflying the United States.

It makes perfect sense to me that when the Canadian government is negotiating with the Americans, it would demand reciprocity. That is just the normal process. Thus if we are going to provide information on those 100 flights over American airspace, the U.S. in turn should provide us with information on 2,000 flights over Canada.

A member of the government told me the other day that the government could not afford to pay for the computer system to process all of the information and that because of that, the government had not asked for it. Had we asked for that information, the whole process would have ground to a halt, because the American airlines and the American public would have been enraged and would have gone to Congress and their senators and voiced their concerns. If so, this whole idea would not have been pushed with the deadline of December 31 and this other sense of urgency that we are seeing right now.

Furthermore, in the Canada-EU agreement, in regard to PNR management matters, the PNR is treated totally differently. There is a time limit for disposal of the data, which is not in this agreement before us, where the data can be held for 40 years. There is a limit on the data's use, which is not in this agreement. Under this agreement the data can be shared with other countries like Panama. There are limits in terms of the individualization of the data. The information is rendered anonymous so the security services can build up a profile without attaching it to any one individual. Is that not—

The Acting Speaker (Ms. Denise Savoie): I must give the hon. member for Mississauga South equal time to respond.

Mr. Paul Szabo: Madam Speaker, Bill C-42 has to do with Canada complying with a request by the United States to have air carriers disclose basic information on people flying.

Government Orders

The member's premise, and I have heard him repeat this several times, is that if the U.S. is going to do that to us, then we should do that to the U.S. That is not part of the bill. It is not the kind of discussion we should be having. It could be something that could be asked of the government in question period. The Minister of Transport or whomever could be brought before committee and asked about it. Let us discuss the process of how we do these things, because this is not part of the bill, and I am not sure whether or not it is part of what we need.

We would define our needs, and if we had thought we needed to know that information for public safety reasons, then we would have made that request. The case has not been made, apparently. The need has not been expressed, apparently. Consequently I am not sure that the argument holds that if the U.S. has asked us to do it, then we had better get the same information back. I am not sure, but we do not even play in the sandbox like that.

Thus I disagree with the member's premise. The question is an interesting one and it should be asked in the proper forum.

• (1210)

Mr. Dennis Bevington (Western Arctic, NDP): Madam Speaker, quite clearly, when the Minister of Public Safety appeared before our committee, he said that the government did not want this bill, that the government did not want to give this information to the U.S., that it had tried everything it could but did not accomplish its task of getting the U.S. to give up on this idea because, quite clearly, the security implications of it were minimal, if anything.

When my colleague says the government should have worked harder to find a way to get the U.S. to recognize the ridiculousness of this bill, that is what we are trying to do here. That is why we put forward a three-year drop dead clause.

The Acting Speaker (Ms. Denise Savoie): The hon. member for Mississauga South.

Mr. Paul Szabo: Madam Speaker, we would prefer not to have to do anything to protect public security or to deal with our neighbours to the south. However, the U.S. has asked for this. We cannot say that we are not going to do it. We cannot say this is not the way we want to go. The important thing is to look at the whole story.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, I am very pleased to have the opportunity to speak to Bill C-42, An Act to amend the Aeronautics Act, which is very important legislation.

We have finally heard other opinions in debate about the legislation, and I want to congratulate the members of the Liberal Party for joining the debate. It would be nice to hear from some Conservatives, but it has been interesting to hear the various points of view.

The last member who spoke, someone I have great respect for, said that we would have to go along with the bill because we had no choice when it came to negotiating on issues of security with the United States. On that very issue, I would take him on. I believe we have a choice and the government has a choice. The government has a choice about whether we should stand up for the privacy rights of Canadians. I believe the bill diminishes the privacy rights of Canadians.

The key part of the bill is to exempt airlines from the provisions of the Personal Information Protection and Electronic Documents Act so they can provide personal information about passengers on Canadian airlines to American security agencies. I think this is a very serious concern to Canadians. Just how much of our personal information will get into the hands of U.S. security agencies and where does it go from there? Who else is it being shared with? There are all kinds of questions that we need to be ask.

Rather than saying it is not a privacy issue, though I think it is, it is also an issue of sovereignty. How do Canadians make decisions about their personal information and do we have to fold every time the United States seeks to increase the security of its borders, which impacts Canada? We see that time and time again.

I wish the Conservative government was as aggressive on this issue as it is on the issue of the census, which is a no-brainer. It will defend the right of Canadians not to tell census takers how many bedrooms or bathrooms they have in their homes, but when it comes to sharing our personal information with American security officials, it is open season. It is incredibly ironic we have this debate about the legislation and that we should just holus-bolus roll over and send the information south.

The government claims to be great defenders of the privacy of Canadians, that somehow it is too intrusive to ask people how many bathrooms or bedrooms they have, when most of us know how that information is used and how much the personal privacy of the people who provide the information is protected in our country. It is an incredible irony to me that the same government is responsible for both of those positions.

Should we be concerned about our information going south? Time and time again we see that information crops up in places where it is a real problem. This morning we heard the member for Winnipeg Centre say that he was on the no fly list, that he could not get on a plane in Canada easily. It has changed now because he misspells his name to alert the airlines and security officials that he is the member of Parliament from Winnipeg Centre, not the guy who should be on the no fly list. What kind of bogus approach is that?

A Canadian member of Parliament cannot get his name off of the no fly list. What chance does an average citizen have? That is just one of the problems with this kind of security apparatus that has been established. When a mistake is made, it cannot be corrected.

Government Orders

I have a friend who is in exactly the same position as the member for Winnipeg Centre. He has to make the same kind of run around the no fly list because it has created havoc with his ability to travel, totally unjustly. There is no way of correcting that in the system. There is no way of finding out why a person's name is on the no fly list.

People are justly concerned about their personal information and what happens when it gets into the hands of a security agency that they have no ability to access, to appeal to or to make changes.

We see it in other ways. It is not exactly a parallel to the situation we are debating today, but it is another instance of what happens when a security agency outside of Canada gets hold of our personal information. Recently, a woman from Toronto was denied access into the United States because a U.S. customs and border protection officer at Pearson airport denied her entry for medical reasons because he had access to her medical report. He knew that she had attempted suicide in 2006. Apparently he knew this because police records were available to him that showed the police had attended at her house because she had attempted to do violence to self.

• (1215)

Why does this American agency have information about a non-criminal activity from the metro Toronto police? Why would it have what is essentially health information about this Canadian woman who is trying to travel to the United States? Why would the Americans deny her entry on the basis of that information?

She had to go through a whole rigmarole. She had to have a medical examination by a state department physician that cost her an additional \$250. Then that report had to be screened before she was eventually allowed into the United States.

This is just another example of what happens to our personal information. In my opinion, from what I have read in the media and heard from her lawyer, this information should never have been made available to a foreign security agency. It has no relevance to her interest in travelling to the United States. There is no security issue with her travelling to the United States. Yet it was raised in that circumstance with her at the airport while she was trying to travel to there.

No one can seem to allay my fear that this is the kind of thing that will become more common. More information will be shipped south about Canadians wanting to travel to the United States and even when they are not trying to travel there. It is very worrisome.

Another example is this. Most of us who travel at least have had pause to consider the placement of the full body scanners in Canadian airports. We have seen these expensive machines cropping up at all of our security checkpoints in airports. There are real privacy concerns about the kind of imaging they produce, the full body scan. Recently a new generation of these machines have been unveiled that gives an even finer, more exact naked image of the person being screened. I think people have legitimate concerns about that.

Today there is a report that the machines are being modified so not all images would be viewed by the person doing the screening, only those where there is an identified problem. One wonders why that feature was not built into the system from the get-go rather than

weeks or months down the road when people raised concerns about it. It speaks to the enthusiasm for new security measures that are not tested appropriately and not thought through.

Again, why do we have these kinds of expensive scanners in airports? I have not seen the evidence that says the old scanning system was somehow flawed or that there had been incidents of major concerns, especially in Canada, that would cause us to need this new technology. Every time I see one of those I wish it was a scanner in a hospital rather than at the airport. If we could sink that money into scanners for medical purposes, I think Canadians would be extremely enthusiastic.

Somehow, because the United States started putting them at security checkpoints in its airports, we had to do it in Canada. I do not think we did it for our own reasons. I think we did it because the Americans wanted it. Once again, they said "hop" and we hopped and put them in here at the expense, aggravation and diminution of the privacy of Canadians. The perception of the Americans of their security needs demanded it. I do not think that is acceptable. It is not acceptable from a privacy standard or a sovereignty standard.

This goes back to the misapprehension that somehow the 9/11 attackers came from Canada. We know they did not. However, Canada accepted 30,000 people who were trying to fly into the United States without question. We landed them here, welcomed and took care of them when the United States would not let them into its country.

That says something about the difference between how we approach a security problem and how the Americans approach a security problem. I want us to remember that when we approach any kind of legislation that deals with the security demands of the United States and the sovereignty and privacy concerns of Canadians.

• (1220)

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, let me congratulate the member for bringing the discussion to where we really should be on this bill.

The bill has raised a broader question about our relationship with other countries, particularly with the United States. The member has raised a number of questions such as whether we should we monitor those development or invest and follow as much as we do.

Those are the questions that should be asked. Maybe we should urge the transport committee and the public safety committee to take these into account. Maybe we need to ask the government more specifically about the reasons and the rationale for taking a decision.

Government Orders

Those are the fundamentals that really underlie this issue. It is not so much that we disagree with someone's right to sovereignty over airspace. We are concerned about the privacy, but if we are talking about name, birthdate and gender, that is not an invasion of privacy about which Canadians will get terribly excited, but it is at the thin edge of the wedge.

Those are the kinds of things the member has brought up. I want to thank him for that. Does he have any further suggestions on how we address this important issue?

Mr. Bill Siksay: Madam Speaker, I hope when the Prime Minister is meeting with President Obama tomorrow, when they are discussing perimeter security arrangements for North America, which is a legitimate topic for discussion, that he calls the American President on some of the excesses of what the Americans are doing.

I understand the Americans feel threatened. I understand they have been attacked. However, maybe somebody needs to put those questions and who better than their closest neighbour? Who better than someone they share all kinds of common interests with? Those are the kinds of questions that a friend can put to them most clearly.

I think the Americans may have gone too far on some of these things. Maybe we are the right people to ask them that question, to point that out to them and to try to find a different way through that. Those are things that we could be doing as Canadians.

Maybe that is something we bring, rather than what appears to be the case of always conceding to the demand of the Americans for the new technology, the new restrictions and the new requirements for more information to be shared. Is it the right way to go? We need to ask those questions and put that kind of pressure on our friends. Friends are for that. When we are in difficulty or are not seeing the situation clearly, friends raise those kinds of issues.

I hope that is what the Prime Minister is taking to the meeting with the President.

Mr. Paul Dewar (Ottawa Centre, NDP): Madam Speaker, I want to acknowledge the work the member for B.C. has done over the years in this place and thank him for that work. I wish him all the best in future endeavours. We will certainly miss him.

One thing the member touched on was how we would approach these issues. We hear concerns raised by some of the other opposition parties, but when it comes to voting for or against this proposition, only one party will vote against the bill because we have concerns.

Does my colleague see the value in raising concerns on the one hand, but at the end of the day just voting for the bill and watching it pass through the House with no amendments even proposed by other opposition parties? What does he think about that?

● (1225)

Mr. Bill Siksay: Madam Speaker, I thank my colleague for his tribute to the nearly departed.

It is really important that we pay attention to these issues and raise them in this place. There is often this feeling that somehow the Americans always have the power to enforce their interests. I do not believe that is the case.

Canadians have a power to bring to negotiations with the United States, that we do not always have to compromise in its interest. We can stand up for our own interests in these discussions. We have had governments that have been too willing to compromise our interests for too long. I see other parties in this place continuing that trend.

Clearly we want to have a good relationship with the United States. It is our closest neighbour. However, we could take a different course in our negotiations with the Americans.

Mr. Paul Dewar (Ottawa Centre, NDP): Madam Speaker, our party's concern with Bill C-42 is not news to other members. I should correct the record. I mentioned a moment ago that other parties had not put forward amendments. They have. I would consider them minor. A review of a process that is flawed should be addressed at the beginning, not after three years.

I want to go back to a debate we had in the House on Bill C-31. It addressed concerns around the electoral process in our country. I remember well the debates around the bill at the Standing Committee on Procedure and House Affairs. The bill looked at how we could streamline the electoral process in this country. Our party was the only one to push against the provision for the government to allow birthdates of Canadians to be put on the voters' list. It had never been utilized before. It was fascinating to watch. People I thought were libertarians, people who believed in the protection of Canadians' privacy, simply caved on the issue of whether or not birthdates should be on the electoral list. It was the two other opposition parties at committee who welcomed this change.

Their colleagues were not aware that we would have birthdates on the electoral list. Thankfully, the Privacy Commissioner intervened, at my request, which was not initially allowed at committee. The committee thought we had heard enough from Ms. Stoddart, however, she had not been able to intervene on this new provision for electoral lists. She provided her opinion that this was a sellout of privacy of Canadians, that they should not have their birthdate on the electoral list.

It was astonishing to see the two other opposition parties allow this to go through. The provision was killed but not because of opposition from the government or the other two opposition parties. Our party fought against it. Why? It is a very basic principle that the privacy of Canadians is paramount. There are times when there is a need for authorities to have information on Canadians, but imagine having one's birthdate and address on a list for all to see.

At the time, we called it a theft kit for identification fraud brought about by the Government of Canada. That is really what it was. For those who want to steal an identity, whether it be for false credit cards or whatever, all that is needed is a birthdate and an address.

Government Orders

We fought against it. Thankfully, we were able to get a clear opinion from the Privacy Commissioner. That made a huge difference, to the point where that provision was eventually dropped. We relied on her office and her opinion to do that. The government fought against having her evidence brought forward at committee. Members sitting on that committee know of what I speak.

Here we are again looking at a bill that would compromise Canadians' privacy. I am astonished that instead of getting this right to ensure that Canadians' privacy will not be compromised, we are going ahead full bore.

The government has recycled countless bills through prorogation, elections, et cetera, simply so it can reintroduce them and claim it is moving ahead, usually on crime legislation. It is all politics, all the time. A bill as important as this gets very little debate, very little attention from the government and not a lot from my friends down the way in the opposition. In one case an opposition party thinks the bill is great and would push it through as quickly as possible.

• (1230)

Someone has to stand up for privacy in this country and in this Parliament. If we do not do that, we have to go to our constituents when the bill is passed and tell them we looked at this in Parliament and we are sorry their names were compromised and ended up on a no-fly list. We were told it would not happen on flights from Windsor to Vancouver.

It is not good enough. We have to be thorough. We have to be careful when we are talking about issues of privacy. This is very different from the Canada Elections Act. The elections act was an abuse of privacy. Ms. Stoddart talked about it in her testimony and we debated that in the House and at committee. This is about another government having access. It is one thing to have Parliament acquiesce and provide that information to Elections Canada that ends up being in the hands of anyone who has access to those lists, but it is another thing to provide that information to another government. With all due respect, it matters not which government. This is a question about our sovereignty. This is a question about who gets to decide the privacy of Canadians.

As mentioned by my colleague from the north, we are putting into law provisions that would allow, in this case, the United States, access to information that normally would not be given to it when a flight is just going from *A* to *B* within our own country. It is astonishing that we would go through the process so quickly with a government that makes no bones about the politics of keeping bills going for Parliament after Parliament. When it comes to an issue as important as the sovereignty of Canadians, it wants to get it through as quickly as possible.

We need to understand what is at stake here. We are not talking about being "soft" on terrorism. That should be thrown out immediately. If we are going to talk about provisions around security, let us look at where investments are being made. Let us look at border security. Let us look at shared information with regard to law enforcement. We have been very critical of the lack of investment in that area. Let us look at cargo inspection. If we really want to get at the issue of security, then we should put our investments in the right place. This is the veneer of security, at a cost. The cost is the vulnerability of Canadians' privacy.

In the first part of Bill C-42 the government did not do its usual play on language and nomenclature. I usually do not read the exact text because it sometimes is not as engaging as one might want to have in debate, but this is important. Proposed subsection 4.83(1) states:

Despite section 5 of the Personal Information Protection and Electronic Documents Act, to the extent that that section relates to obligations set out in Schedule 1 to that Act relating to the disclosure of information, and despite subsection 7(3) of that Act, an operator of an aircraft departing from Canada that is due to land in a foreign state or fly over a foreign state and land outside Canada or of a Canadian aircraft departing from any place outside Canada that is due to land in or fly over a foreign state may, in accordance with the regulations, provide to a competent authority—

Those are the other guys.

—in that foreign state any information that is in the operator's control....

Let me be clear about the first part. It means that we have to amend our privacy rights for the bill to go through and it compromises Canadians. That is wrong.

• (1235)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, the member for Ottawa Centre has always been strong on issues of personal privacy, personal information and assuring Canadians that their personal information is protected. He raised extremely valid points about the impact of what, up until now, has been a fairly obscure bill, but a bill that Canadians are increasingly concerned about.

We know the Conservatives are pushing ahead and Conservative MPs do not have the ability or the right to disagree in any way with their government. They just rubber-stamp anything that the current government brings forward.

Why are the Liberals supporting this appallingly bad, intrusive legislation? Liberal members have criticized the legislation, but they are voting for it. I would like the member to explain that incredible contradiction. Why is the Liberal Party rubber-stamping bad Conservative legislation yet again?

Mr. Paul Dewar: Madam Speaker, I wish I had a sanguine answer for that, but I do not.

I am very concerned about the fact that members have been very clear about this being wrong in terms of the privacy provisions and that we need to do something about it and if they had been in government, they would have done a better job somehow.

The fact is we are in this place debating this legislation. If we do not think it is good enough, a three-year review is not the answer. It is a matter of saying our personal information is at stake and we should vote against the bill. There is no in between, there is no middle ground on this bill. It is unfortunate members feel they have to vote for this bill and yet make arguments against the content of the bill.

Government Orders

I say to my colleague who asked the question it is a matter of members having to look in the mirror and ask whom they are standing for, who are they representing and can they in good conscience vote for a bill that compromises Canadians' privacy. The answer is clear. They should not compromise privacy and should vote against the bill. There is time to do that.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I want to ask the member to consider for a moment that there could have been some common ground in these negotiations. It would have been a much tougher approach by the Canadian government to say to the Americans that 100 flights a day from Canada fly in United States airspace but there are 2,000 flights a day from the U.S. flying in Canadian airspace, that Canada will provide that information but the U.S. will have to provide Canada with the same information. Immediately American airlines and consumers would have become very agitated and would have started calling their representatives in Congress and there would have been a pullback on this issue.

The government told me the other day that Canada could not afford the computer system to process all of this information and the Americans have the half a billion dollars to dedicate to that.

The other issue is that in terms of the agreement itself, Canada has an agreement on PNR use with the European Union. It deals with the PNR totally differently. Unlike this agreement where we are going to give the Americans the information and they can keep it for 40 years, the PNR agreement with the EU requires a very limited time period for the disposal of the data. It makes sure that the information is rendered anonymously so it is not tied to an individual. There is—

• (1240)

The Acting Speaker (Ms. Denise Savoie): The hon. member for Ottawa Centre.

I must give the hon. member time to respond.

Mr. Paul Dewar: Madam Speaker, there were a lot of good points and questions. It is safe to say there is another way. One of our concerns is how quickly this bill is being spirited through this place.

There were amendments put forward by the NDP, essentially what my friend from Winnipeg was saying, that would have challenged the way in which this was being done and perhaps provide another way. At the end of the day, we are having to succumb to the wishes of another country.

All members travel and pay the airport tax now. That airport tax that the government imposed, which it does not like to say is a tax, is to pay for security measures imposed on us by the U.S. This is the same thing.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, it is important for all members to speak to Bill C-42 because, even though it has not received a lot of media attention and journalists have not been writing the kinds of articles they should be writing about its implications, it does have implications for the average Canadian from coast to coast to coast.

I hope that as a result of the debate that has grown over the course of this week that we will see more interest from our Press Gallery and from our national journalists on this important question because Bill C-42 would have an impact everywhere in the country.

I will begin my remarks where the member for Ottawa Centre left off on what this bill actually says. It says that:

—an operator of an aircraft departing from Canada that is due to land in a foreign state or fly over the United States and land outside Canada or of a Canadian aircraft departing from any place outside Canada that is due to land in a foreign state or fly over the United States may, in accordance with the regulations, provide to a competent authority in that foreign state any information that is in the operator's control relating to persons on board or expected to be on board the aircraft and that is required by the laws of the foreign state.

The bill states that someone's personal information can be handed over. That is not a small issue, particularly as we go through some of the personal information that will be handed over to the secret services of the United States and other foreign states. It is not information that any Canadian would want to have shared widely.

We know the extent to which security services share this kind of personal information. All of us see the chaos that is occurring in Egypt. We know that the secret service of the Egyptian government is one of the potential recipients of this kind of personal information. The information will not be held in any sort of secure place. It can be held for up to 40 years. We are talking about personal information that is completely out of the bounds of what is normally considered to be personal information protection.

The privacy question is completely gutted by this bill, and perhaps that is the reason we are not hearing many Conservative voices rising up to defend it. This bill is, quite frankly, indefensible. I think the Conservatives, particularly in light of what they purported to put out on a census, will have some great difficulty defending to their constituents what is a significant massive handover of personal information.

What is the kind of information that the Conservative government wants to hand over to the United States secret service and other foreign secret services? It begs the questions: why is the government not standing up for Canadians? Why has it not tried to negotiate any sort of agreement that takes into consideration the concerns that the Privacy Commissioner has brought forward?

Concerns have been raised by the Privacy Commissioner. A number of my colleagues in the Liberal Party said that her concerns do not matter but I have to disagree. It certainly does matter when the Privacy Commissioner raises a whole series of conditions around this exchange of information and the government does absolutely nothing to protect that personal information. That is a cause for great concern.

What is in the information that can be exchanged? As my colleague, the member for Sackville—Eastern Shore said, we are talking about a passenger's name record that can include credit card information, who the passenger is travelling with, the passenger's hotel, the booking information concerning the trip and also medical conditions. Medical conditions and credit card information then get sent abroad.

The government has not in any way tried to change that. The government seems to be trying to ram this legislation through. The Minister of Public Safety stood in the House in December and said that the bill needed to be passed by December 31 or the earth would collapse, the roof would fall in and all planes would be grounded.

Government Orders

•(1245)

I was on a plane yesterday and what the Minister of Public Safety said was complete balderdash. That has not happened.

The government needs to step back from what has been an hysterical attempt to ram the legislation through and start to justify why it wants to share credit card information and confidential medical information with foreign secret services regardless of the fact that it has no idea where the information will end up.

The information can be stored legally up to 40 years. We are not talking about information that is transferred and then destroyed according to very strict protocols. We are talking about information that is gone forever. Our personal information and the personal information of other Canadians across the country is out there. It is gone. This is a statement of fact and yet the Conservatives have not tried to justify in any way why they did not endeavour to put in place protocols that would allow for the destruction of that information on a very strict and time sensitive basis.

The other element here is that Canadians cannot find out what information is held about them and, if that information is inaccurate, they cannot in any way change that information. Personal information is sent to the United States and to other foreign governments and the information is held for decades in conditions we have no knowledge of and no control over. It is information that can never be corrected and we can never find out what that information is about.

It is absolutely absurd, when we look at the components of what is actually in the bill, that we have a government trying on the one hand to defend this wholesale transfer of Canadians' personal information, their credit card information, their medical information and other information, and, at the same time, it is the same government, as the member for Winnipeg Centre said earlier today, that wanted to shut down the census because it thought information like the size of a person's house was too sensitive to share.

What is wrong with this picture? The census is a valuable tool. The mandatory long form census was used to give governments an accurate idea of what was happening in the population, whether Canadians were moving to larger homes, whether more people were living within the same residence and to what extent government policies impacted people's housing arrangements and incomes. Those kinds of elements are vitally important for the government to act in the public good.

The Conservatives were screaming hysterically against the mandatory long form census and now they are bringing in a bill that would transport vastly more personal information all over high heaven, to security services wherever; the Egyptian secret service or the American secret service, and that information can be thrown about for decades without any sort of checks and balances or any type of controls.

The government either does not understand how hypocritical that looks to Canadians or it has been playing politics all along with the census information and is now playing politics in a very clear way with Canadians' personal information.

We have seen with the no fly list how the kinds of mistakes that are made can lead to people simply being unable to board flights. We have seen it with fine upstanding citizens, such as Senator Ted Kennedy, members of Parliament and well-known celebrities, who, through no fault of their own, found themselves on a no fly list and are completely incapable of getting themselves off the list.

Instead of trying to fix that, we have a government that is going into vastly darker, deeper recesses of the kinds of information sharing that is irresponsible and clearly not in the interests of Canadians. That is why in this corner of the House the NDP is standing up for those ordinary Canadians and saying no to this wholesale, irresponsible transfer of Canadians' personal information.

•(1250)

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, I am glad my colleague from British Columbia touched on the fact that the Conservative government got rid of the long form census because it was too invasive to Canadians, that we knew too much about Canadians, where they live, how many people were in their homes and where they worked, all good statistics that could be used by doctors, hospitals and municipalities.

In Bill C-42, the government would allow all kinds of information, even more information than was in the long form census, to go to these foreign countries.

I would like the hon. member from B.C. to try to explain to me why the change in the ideology between the long form census and Bill C-42 from the Conservative government?

Mr. Peter Julian: Madam Speaker, the member from Nickel Belt has been a very strong defender of Canadians' privacy rights in this House of Commons. I am glad he is continuing to do that work on behalf of Canadians.

What we have is a government that is incredibly mean-spirited with Canadians at home. We have seen the kind of bullying that the government does. With governments abroad, we have seen it being incompetent and insipid. We also saw that with the softwood lumber sellout, the buy American sellout and the shipbuilding sellout. We will be talking about another agreement shortly with Panama, which is the same kind of sellout of Canadian interests.

The government is simply incapable of standing up for Canadians' interests.

However, I think the member for Nickel Belt has really stumbled on the key here. The government thinks it can manage Canadians, that it can do two things that are completely contradictory and hypocritical. On the one hand it says that it will abolish the census because of privacy concerns and then on the other hand it says that it will give credit card and medical information to secret services around the world. Mr. and Mrs. Smith of Nanaimo, B.C. will have their personal information distributed around the world. The government thinks, in its arrogance, that it can get away with that kind of contradiction because for the last two and a half years the Liberals have simply rubber-stamped everything the Conservative government brings forward.

Fortunately, in this corner of the House there is a proud NDP caucus standing up for Canadians and we will not let them get away with it.

Government Orders

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the census issue may be an interesting example of privacy issues and the no fly list is another interesting example.

However this is taking Bill C-42 as a proxy to campaign on platitudes of “We are good and everybody else is not so good”.

The member asserted that credit card information would be required to be disclosed under Bill C-42. Could the member advise the House as to exactly where in the bill or in the regulations that is prescribed because that is contrary to the evidence that was given to the standing committee that reviewed this bill in detail?

• (1255)

Mr. Peter Julian: Madam Speaker, it is very clear in reading the bill, which I am sure the member has read because he is diligent member, that the passenger name record is the information that is disclosed. The passenger name record includes credit card information. It is very clear when we read section 4.83 of the act where it states, “provide to a competent authority in that foreign state any information that is in the operator’s control”.

In the operator's control includes credit card information and medical information. I know that the hon. member does his due diligence most of the time but I think in this case I will have to beg to differ with him. I think the Liberals have fallen a bit short on their due diligence and in verifying just what information is being transferred.

Now that the Liberals understand that information, hopefully they will change their vote and will vote with us to defeat this bill so that Canadians will not have their private information thrown all over the world to secret services.

The Acting Speaker (Ms. Denise Savoie): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Ms. Denise Savoie): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

(Amendment agreed to)

The Acting Speaker (Ms. Denise Savoie): The next question is on Motion No. 1, as amended. Is it the pleasure of the House to adopt the motion, as amended?

Some hon. members: Agreed.

An hon. member: On division.

(Motion No. 1, as amended, agreed to)

• (1300)

Hon. Diane Finley (for the Minister of Transport) moved that the bill, as amended, be concurred in.

[*Translation*]

The Acting Speaker (Ms. Denise Savoie): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Denise Savoie): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Denise Savoie): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Denise Savoie): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Ms. Denise Savoie): Call in the members.

And the bells having rung:

The Acting Speaker (Ms. Denise Savoie): The recorded division is deferred until Monday, February 7, immediately after private members' business.

* * *

CANADA-PANAMA FREE TRADE ACT

The House proceeded to the consideration of 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, as reported (without amendment) from the committee.

[*English*]

SPEAKER'S RULING

The Acting Speaker (Ms. Denise Savoie): There are four motions in amendment standing on the notice paper for the report stage of Bill C-46. Motions Nos. 1 to 4 will be grouped for debate and voted upon according to the voting pattern available at the table.

[*Translation*]

I will now put Motions Nos. 1 to 4 to the House.

MOTIONS IN AMENDMENT

Mr. Peter Julian (Burnaby—New Westminster, NDP) moved: Motion No. 1

That Bill C-46 be amended by deleting Clause 7.

Motion No. 2

That Bill C-46 be amended by deleting Clause 10.

Motion No. 3

That Bill C-46 be amended by deleting Clause 12.

Motion No. 4

That Bill C-46 be amended by deleting Clause 63.

[*English*]

He said: Madam Speaker, I am pleased to rise on the NDP amendments to take out certain key portions of Bill C-46, which is the implementation legislation on the free trade agreement with Panama.

Government Orders

The reason why the NDP is opposing this agreement, as many of the witnesses who came before the standing committee can attest, is because this is just another symbol of what has been a pretty dysfunctional trade strategy from the government.

Over the last 20 years, the middle class has been gutted. We have seen reduced incomes for most Canadian families and increasing inequality. Inequality in Canada is at the same level as it was in the 1920s. A lot of this is due to a series of bad right-wing economic policies that have been put forward, first, by the Liberal government and continued by the Conservative government. One of the components within that is how the Conservative government approaches trade strategy.

We will hear Conservatives in the House talk about how this is a fantastic opportunity and that Canadians will prosper. Canadians have heard that line in agreement after agreement. The government said the same thing about the softwood lumber sellout. It said the same thing about the ship building sellout. It said the same thing about the buy America sellout.

However, we have seen the contrary. We have seen middle class incomes eroding, poor Canadians getting less and struggling harder to make ends meet. In part, it is because the government signs these agreements without due thought to the consequences.

This may be surprising, but the Conservative government does not even do impact studies before it signs these agreements. It just goes ahead from the back of a napkin, hoping and praying that everything will turn out right.

It is fascinating to actually look, in real terms, at the export figures. Every time we have signed a bilateral trade agreement, our exports to those markets have actually gone down and not up.

We will hear some baffle-gab from Conservatives later today and they will use a very clever trick. Instead of using real dollars, they will use current dollars. As we know, if we use current dollars, we can throw out anything and show that people are earning more money because the inflation rate and devaluation that takes place is not taken into consideration in that purchasing power. It is the same thing with exports. In real terms, in constant dollars comparing apples to apples in the markets that the Conservative government has signed these bilateral trade agreements, our exports have gone down. That is a statement of fact.

The Conservatives will try a lot of baffle-gab, but a real reason why their trade strategy is so dysfunctional is because they have not done their homework and checked the figures. In fact, the NDP did the research through the Library of Parliament because, after asking DFAIT month after month, the Department of Foreign Affairs and International Trade was unable to give the actual real-term constant dollar value of our exports to those markets.

I will cut to the chase. We have a dysfunctional Conservative government with a dysfunctional trade strategy. The government is making most Canadians poorer because it is not giving due thought to the impacts of what these trade agreements are and has a rabidly right-wing approach on trade agreements generally.

We have signed a trade agreement with Panama, but what is the problem with Panama? In a study from the Internal Revenue Service

of the United States, tax havens and criminality are mentioned as well as what happens in Panama because of its encouragement to launder dirty money. The study says that 75% of all sophisticated drug trafficking operations use offshore secrecy havens like Panama.

• (1305)

I will cite from *Tax Havens: How Globalization Really Works* by Ronen Palan. He states, "It is evident to all who have studied the offshore banking business that its growth has been fuelled by the phenomenal increase in cash from the U.S. drug trade".

The IRS states that of the investigations it has conducted, 45% involved illegal transactions derived from legal income and about 55% of cases actually dealt with illegal income from drug trafficking. The IRS cites the offshore money laundering havens where this takes place, which is very interesting. Leading them all is Panama and the Cayman Islands. The sites named by the IRS account for 85% of all cases involving transactions of illegal income.

It is not simply a process of signing a trade agreement with just any country. We are talking about the leading money laundering dirty drug money tax haven in all of the world tied with the Cayman Islands. The the government has a trade agreement with it.

I will not have time today to go into the labour violations, environmental standards or treatment of aboriginal people in Panama. However, I know my NDP colleagues will be mentioning this over the next few hours and days of debate. Instead I will focus on the issue of the money laundering of dirty drug money.

The Conservatives know full well the fundamental issue that has come up and stopped Congress in the United States from moving forward with a trade agreement with Panama. It apparently has higher standards than the Conservative government. One would think the Conservative government would then say that it would negotiate hard on behalf of Canadians, that it would put a stop to the money laundering of dirty drug money and that it would demand a tax information exchange agreement with the Panamanian government. It did not do that.

It sent a letter last year and the Panamanian government did not deign to respond for a long time. However, because the Conservatives are soft on the crime of money laundering dirty drug money decided they wanted to move ahead with the trade agreement, despite the fact it had absolutely no commitment from the Panamanian government to clean up the mess.

What response did they get? We will hear Conservatives say that they got a commitment from the Panamanian government to clean up all the money laundering of dirty drug money that takes place in Panama. That is what they will tell parliamentarians and the public, but they do not have a tax information exchange agreement. Even something minor like a double taxation agreement only deals with legal funds. It does not deal with the money laundering of dirty drug money that takes place in Panama as I speak.

Government Orders

The Conservatives did not get any of those assurances. However, there is a clause in the bill. What does the clause in the trade agreement actually say? It says that nothing should impede the transfer of funds in or out of the country. I guess what the Conservatives are saying is that not only is having a tax haven okay, which they are fine with as they are soft on the money laundering of dirty drug money, but it also says that they cannot stop the flow. If the Hells Angels decides it wants to money launder in Panama, I guess that means the trade agreement says that is okay, too.

These are the fundamental points about which people who voted for the Conservatives in the past should be concerned. We are not talking about economic development or progress. This dysfunctional trade policy has actually put the lie to those pretensions.

We would not be seeing most family incomes and exports to those bilateral markets go down in real terms, despite the bafflegab where the Conservatives try to magically produce, on the basis of current dollars, some kind of magical formula that does not take into consideration the fact that exports have gone down because the export strategy, pretty pathetically, is dysfunctional and failed. It is not just that. The agreement itself allows that protection and comfort for the money laundering of dirty drug money.

• (1310)

This is fundamentally hypocritical. It is appalling to me that a Conservative government that is so soft on white collar crime and so soft on the laundering of dirty drug money, if it is trying to push an election at the same time, would actually bring this bill forward. Over the next days of course we are going to be raising these issues, and of course Conservative voters would be the most concerned about this hypocrisy from the Conservative government.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Madam Speaker, I listened very carefully to the speech made by my NDP colleague. I think that he highlighted the problem with this free trade agreement. He talked about money laundering, whether it is being done by drug dealers or people who launder illegally obtained money. The public often wonders why our laws are not harsh enough for cases like that. But here we are talking about an agreement with a country that is a tax haven and that encourages such practices. These examples show the public how it is possible for regular people and criminals to do this right in front of the police, because it is allowed. These people can do this in countries like that.

I would like my colleague to expand on that.

Mr. Peter Julian: Madam Speaker, I would like to thank the member for Saint-Maurice—Champlain for his question.

He understood correctly. The witnesses we heard in committee were very clear about this. There is absolutely nothing to prevent the money laundering that is still happening in Panama. Moreover, if past practices are any indication, Panama is one of the worst offenders in the world in this regard.

I was surprised. I thought that the Department of International Trade would hold a press conference with Mom Boucher to promote this bill. However, as understand it, Mom Boucher is not available at the moment. I find this type of situation absurd: if you are a drug dealer, criminal or money launderer, then you have a friend in the

Conservatives. They are proposing an agreement that will serve only to increase money laundering and illegal drug operations.

• (1315)

[*English*]

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, since my colleague from Burnaby—Douglas raised the issue of his party having done an impact study, and also because he and I both served on the transport committee, I wonder whether he would be prepared to share with us what impact the development of the Panama Canal would have on the transportation routes resident in our Pacific gateway strategy, most specifically with the ports in the Lower Mainland, and with some of the commerce that flows from that.

I wonder if he would share with us whether his impact study would give us an indication that the free trade agreement would compensate for the loss of the transportation services that would accrue to the Pacific gateway ports.

Mr. Peter Julian: Madam Speaker, I did not say that the NDP had done an impact study. I would like to state for the record and for the member for Eglinton—Lawrence that what I was saying was that it was surprising to me that the Conservative government, regardless of the agreement it tossed on the floor of the House of Commons, never does its due diligence. The Conservative government never does its homework. It never does the homework that is required to actually present the case to Canadians.

Now the Conservatives will do a lot of cheerleading. We will hear it this afternoon. We know exactly what they are going to say, that it is all about economic prosperity. However, hard-working Canadians who are working harder and harder for less and less are seeing jobs going overseas. They are seeing the kinds of deals that actually encourage the laundering of dirty drug money. I think those Canadians are very skeptical now about the kind of vacuous cheerleading we hear from the Conservatives on this.

The Liberals are not obliged to support the Conservatives on this, and we hope the Liberals will be on board with voting against this bad deal.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Madam Speaker, it is a privilege to rise to speak to this bill. I did not expect to be speaking to additional NDP amendments to the bill, but I can honestly say I am not terribly surprised.

Without question these amendments are dilatory, obstructionist and unnecessary. They are a thinly veiled attempt to kill the bill, nothing more, nothing less. Worse yet, in my opinion, they disrespect the committee process because all committee members had ample opportunity to put forward all of their amendments at committee stage. We had lengthy debate and heard numerous witnesses, yet here we are debating four amendments that have nothing to do with the substance of the bill. They are only here to kill the bill.

I am happy to speak to Bill C-46, the Canada-Panama free trade agreement, and am privileged to do so.

We need to recognize a few facts, because the previous speech was pretty short on facts.

Panama is a strategic hub for the Americas. It is an important nexus of commercial activity throughout the region. It is already an important market for Canadian businesses. In 2009, two-way merchandise trade between our countries totalled \$132.1 million. Panama is a market with great potential, and this free trade agreement would help Canadian businesses take advantage of the opportunities that it offers. I have a personal example.

There is an engineering firm in my riding that specializes in the oil and gas sector. At the present time it is looking at some contracts in Panama. In order to fulfill those contracts, because of the duty, the company is better off to use its subsidiary business in Mexico and ship straight from Mexico to Panama. If this deal goes through, those jobs will stay in Canada.

This agreement would also establish a level playing field so that our companies could maintain or improve their competitiveness in a market where strong competitors, such as the United States and the European Union, have or are seeking preferential access.

A Canada-Panama free trade agreement would result in tangible benefits for Canadians. For example, it would be of key importance to Canadian merchandise exporters.

In 2009, two-way trade between Canada and Panama in non-agricultural merchandise amounted to \$104.2 million with Canada's non-agricultural exports to Panama totalling \$68 million. The hon. member wants to ignore the numbers as if they did not exist, but we have substantive trade between Canada and Panama now. It begs the question: why would we not include clearer rules to establish beneficial rules-based trading with a country that we are already trading with, that helps Canadian businesses and helps Canadian jobs?

Key Canadian non-agricultural exports to that market have included pharmaceuticals, machinery, vehicles and electrical and electronic equipment. Once implemented, our agreement with Panama would immediately eliminate tariffs on 99.9% of recent non-agricultural imports from Canada. The agreement would eliminate tariffs ranging from 5% to 11% on Canadian pharmaceutical exports to Panama, which amounted to \$10.8 million last year.

Canadian machinery and automotive exports to Panama are currently subjected to tariffs as high as 15% to 20% respectively. Under the free trade agreement these barriers would be eliminated.

In these challenging economic times, when our manufacturing sector benefits, the country benefits.

In the forestry sector the Canada-Panama free trade agreement would eliminate tariffs as high as 15% on a range of wood and paper products, creating new opportunities for Canadians in the export of lumber, plywood, books, packaging materials and other products.

• (1320)

Here at home the forestry industry accounts for approximately 12% of Canada's manufacturing GDP and directly employs 230,000 Canadians. As the Forest Products Association of Canada has said, it is the economic lifeblood of over 200 communities in our country. Our government is working to ensure that industries like this one that contribute so much to our economy have access to growing markets

Government Orders

like Panama and have the ability to make the most of the opportunities there.

In terms of our agricultural trade, Canadian producers exported \$23.6 million of agriculture and agrifood products into Panama in 2009, and there is room to improve.

Panama currently applies tariffs on many agricultural products, some as high as 20%. Once implemented, the free trade agreement would immediately eliminate tariffs on goods accounting for 94% of Canada's agricultural exports to Panama. This would benefit Canadian farmers countrywide, including exporters of frozen french fries, pulses, malt, oilseeds, beef and pork products, maple syrup and Christmas trees.

Canada Pork International has gone on record that Panama is one of the Canadian pork producers' top 15 markets. Approximately \$5 million worth of pork products are exported there each year. They support the Canada-Panama free trade agreement and have emphasized the importance of moving ahead with this agreement to take advantage of entering a market ahead of our largest competitors.

The benefits of having access to the Panamanian market do not end with our agricultural and non-agricultural goods, producers and exporters. A free trade agreement with Panama would also improve access for Canadian service providers looking to enter this dynamic and growing market. Panama is a services-oriented economy and some in Canada's service sector have already established operations there.

In 2008, our commercial services exports to Panama totalled \$12 million. This includes those providing financial services, engineering and professional services, information and communication technology services, and others.

The Canada-Panama free trade agreement would help Canadian service providers expand their operations, pursue new opportunities, and keep pace with their competitors.

In its services negotiations, Canada obtained access beyond Panama's World Trade Organization commitments, particularly in areas of export interest to Canada, including mining services, energy services and environmental services. This means preferential access for Canadian service providers in sectors where Canada has expertise to share.

The Canada-Panama free trade agreement would also establish new rules to govern trade in services, ensuring the secure, predictable and equitable treatment of service providers from both countries.

This is to ensure that a company such as SNC Lavalin, which is leading a consortium to build a \$4 billion copper mine in Panama, owned by Inmet, a Canadian mining company, will directly benefit from this agreement.

We are making our way through some difficult economic times. Many hard-working Canadians are looking for us to show leadership on the economy, promote sustainable economic improvements, and create opportunities for job growth. Our government has made a commitment to do just that, to help Canadians capitalize on their expertise and expand into new and exciting markets.

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Canada's producers, exporters and service providers are constantly faced with fierce competition, and we must do what we can to ensure they compete on even ground with their competitors.

We must continue to reduce barriers to trade and negotiate competitive terms of access in global markets. We must show the world that Canada's businesses are second to none.

A free trade agreement with Panama would help to do this.

For all of these reasons, I call on all hon. members in this House, including the members of the NDP, to support Bill C-46.

In the time remaining, I would like to summarize some of the highlights of this bill. There are a couple that we cannot ignore.

We cannot ignore the increased traffic that will go through Panama after it is finished twinning the Panama Canal. We can look at that as an obstruction, a challenge, or we can look at that as an opportunity. Quite frankly, I look at it as an opportunity. There is no reason that increased flow of traffic cannot feed our container ports on the west coast and east coast of Canada.

● (1325)

We simply do not have to wait for the European Union or the United States to sign free trade agreements before we come in a day late and a dollar short. We are leading the way, we are promoting Canadian businesses, and we intend to continue.

Ms. Martha Hall Findlay (Willowdale, Lib.): Madam Speaker, I do have a question with regard to taxes. A number of concerns have been raised by a number of colleagues about the tax haven issue, the worry that Panama provides some opportunity for tax havens.

Now, I will be the first to say that these tend to be taken advantage of by the people who do not actually follow the rules, and there is no indication that increased trade would actually allow any increased activity in this regard. However, there has been some effort of the part of the Canadian and Panamanian governments to enter into some form of a tax agreement, whether it be a double tax treaty to avoid double taxation or a tax information exchange agreement.

I wonder if my hon. colleague could speak a bit to where those negotiations stand.

Mr. Gerald Keddy: Madam Speaker, it is an important question. It is also one that certainly merits some discussion.

I appreciate the hon. member's comments that we do not expect that everyone doing business with Panama is looking to launder money. That is something that we need to address. Certainly, by far, 99.99% of all Canadian businesses doing business in Panama are there for legitimate and correct reasons.

On the issue of co-operation with the finance department and Panama, our Minister of International Trade has been in contact with his appropriate counterparts in Panama. We expect Panama to live up to all of its obligations under the OECD.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Madam Speaker, in trade deals, the government has a propensity to make side agreements. In particular, I am talking about, in this case, as in others, the side agreements on labour and environmental issues. Of course, the biggest problem with that is enforcement, as there is no enforcement mechanism.

I have a question for the parliamentary secretary. I am wondering if he agrees with me that if these agreements were not side agreements but actually in the body of the trade agreement, and therefore enforceable so that disagreements could be worked out between the two countries to ensure that labour and environmental rights were protected, whether this would go a long way in this place toward getting more agreement on this sort of deal.

I wonder if he would like to make a comment on that.

● (1330)

Mr. Gerald Keddy: Madam Speaker, I thank the hon. member for his question. It is a reasonable and responsible question.

The issue here is quite simple. We are actually dealing with a trade agreement. We are not dealing with an agreement that is specifically on labour or on the environment; we are dealing with an agreement on trade. The trade agreement has an appendix with an agreement on labour and an agreement on the environment along with it, because of the importance we place upon proper labour laws, rules and regulations and proper environmental laws, rules and regulations. Therefore, we penned an appendix to the trade agreement.

However, it is a trade agreement. It is not a separate agreement on labour or a separate agreement on the environment. We appreciate the importance of both issues and have included them within the bill.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, the bill should be called "Drug traffickers: You can keep the proceeds of crime act", because that is exactly what the current government is presenting. "Send the proceeds of crime to Panama" is what the government is saying.

I would like to ask the parliamentary secretary, because he has just not dealt with any of the witnesses who spoke to this issue, why is he saying the IRS is wrong in investigating so many cases of dirty drug money laundering in Panama?

Mr. Gerald Keddy: Madam Speaker, what this bill should be called is "Opportunity". There is opportunity here for Canadian businesses. There is opportunity for Canadian services. There is opportunity for the non-agricultural sector. There is opportunity for the agricultural sector.

I would ask one more time for the NDP to withdraw its position, to back up and actually support this piece of legislation.

[*Translation*]

Ms. Martha Hall Findlay (Willowdale, Lib.): Madam Speaker, first, I must talk about the amendments proposed by my colleague. He is asking that numerous clauses be deleted, yet he said that they are key clauses. Frankly, that is a problem.

He is asking that clause 7 be deleted, but that clause sets out the purpose of the bill. If the description of the purpose of the bill is taken out, I think that poses a bit of a problem. He is also asking that clause 10 be deleted. That clause contains institutional and administrative provisions. Without these kinds of clauses, there would be no bill.

He is also asking that clause 12 be deleted. This clause deals with panels, working groups and other people involved in administering this bill, particularly in terms of labour and the environment. I know that those topics are extremely important to my colleague. In addition, he is asking that clause 63 be deleted, but that contains the coming into force provision. Without these clauses, there is no bill, and frankly, I feel that my colleague is playing games here in the House. We have already discussed these issues in committee.

I will now say that we will not support the amendments, and I would like to take a bit more time to talk about the bill, as currently drafted.

[English]

I just briefly explained why we do not support the amendments proposed by my colleague. In effect, they were already proposed and dealt with in committee, and were they to be put into effect they would effectively destroy the bill. As much as I respect my colleague, I find this a bit of an abuse of time in the House of Commons; it really is playing games. I would rather we dealt with the substance of the legislation, the implementation of a free trade agreement with Panama. I am pleased to say that the Liberal Party is in support of this particular bill.

I will provide members with some statistics. In 2008, Panama had one of the highest real GDP growth rates in the Americas, at 10.7%. Despite the global economic downturn, Panama posted positive growth in 2009, at 2.4%, a trend that was expected to continue in 2010. We await confirmation of those numbers.

The expansion of the Panama Canal is currently under way and slated to be completed by 2014, at a projected cost of \$5.3 billion. This expansion alone is expected to generate opportunities for Canadian companies in such areas as infrastructure and construction, as well as environmental, heavy engineering and consulting services, capital projects, human capital development and construction materials. Like the free trade agreements between Canada, Chile and Costa Rica, the North American Free Trade Agreement, and the free trade agreement proposed with Jordan but not yet ratified for a number of reasons, the Canada-Panama free trade agreement includes side agreements on labour cooperation and the environment.

Panama is indeed a relatively small economy. We would prefer that Canada were able to pursue multilateral trade negotiations through the World Trade Organization. Unfortunately, those negotiations have come to an effective standstill. We do support the efforts to engage in negotiations for bilateral trade agreements, including with Panama.

Although Panama is a relatively small economy, in 2009 we exported \$90 million in goods to that country, which maybe is not as much as to some trading partners, but it is fairly significant for those enterprises, the agricultural, agrifood, construction, and a variety of

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other sectors in that country. The \$90 million is a significant amount of business, and this trade deal stands to significantly increase that figure.

Panama is also a stable country that has made significant progress in recent years in development and democracy, which Canada is well placed to continue to encourage. This is a significant aspect of our trade philosophy.

Freer trade encourages a freer flow of information and a freer flow of ideas. Rather than building walls, freer trade opens windows through which light comes through, and opens doors through which Canadians can engage on all sorts of levels with others. If we isolate countries, our capacity to engage on human rights or to discuss issues, such as the one we and others have raised today, the issue of tax havens, we only reduce our ability to engage with and help those countries improve.

Panama has engaged in significant efforts through the OECD to enhance its activities and its reputation internationally. I believe we stand in a very good position to encourage rather than discourage that effort.

● (1335)

[Translation]

We support this bill. Despite concerns about the current lack of a double taxation treaty and a tax information exchange agreement between Canada and Panama, we should support this bill.

I want to emphasize the fact that the Canadian and Panamanian governments have already begun to work on a tax agreement. Panama has asked that we implement an agreement to avoid double taxation, while Canada would prefer an agreement about exchanging tax information. However, the two governments are in talks to set up a tax agreement.

● (1340)

[English]

Although there have been some concerns raised about the suggestion that Panama acts as or provides a tax haven and money-laundering opportunities, the Government of Panama and the Government of Canada have worked very hard so far to establish an agreement on the exchange of tax information.

In the first instance, Panama asked Canada to enter into an agreement to eliminate double taxation. Canada responded by asking instead for an agreement on the exchange of information with regard to taxes. Panama came back and said no. It said that it would prefer a double tax treaty. It should be stressed that the traditional OECD model of a tax treaty, which is the one Canada always signs, has a full article dealing with the exchange of tax information.

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We support the bill for two reasons. First, it would provide significant improvements to opportunities for Canadian enterprises and therefore encourage Canadian jobs. Second, because Panama does not have a trade agreement right now with the United States, we heard a number of witnesses at committee stress how the United States is worried about Canada signing this deal because of the significant competitive advantage that it will provide to those very Canadian enterprises. I will include agriculture, agri-food and construction. Earlier in my speech, I outlined a number of the areas in which we would stand to benefit.

That significant competitive advantage for Canadian enterprises, given the lack of a similar agreement so far with the Americans, given the pressure on the American government to sign such an agreement and given the fact that the Canadian and Panamanian governments have been working toward a tax agreement of one kind or another that would provide information on the exchange of tax information, has strongly provided the basis for our support of this bill and for the conclusion and ratification of the free trade agreement with Panama.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Madam Speaker, I happen to agree with the member for Willowdale that deleting clause 7, which deals with the purpose of the bill, would somewhat take away from the bill. However, she also spoke about the benefits that Canada would get from this bill.

Given some of the demographics we are experiencing in Canada today, there is no question that we will need to compete very much on high value-added services. Having been an employee for SNC-Lavalin at one point in time, I do know the value of the engineering services and the \$5.3 billion for the construction of the Panama Canal, plus the mine that the parliamentary secretary referred to. Could she just elaborate a little more on what this means for us in exporting value-added services and what it means for the growth of a strong workforce in Canada?

Ms. Martha Hall Findlay: Madam Speaker, Canadian enterprises of a variety of sorts would absolutely stand to benefit. The expansion of the canal is only one aspect. Of course that includes companies like SNC-Lavalin, but also a whole variety of other companies that engage in construction, provide construction materials and provide consulting services. Environmental technology services are in high demand and Canada is highly regarded internationally as a source of that kind of consulting service.

However, I also want to stress that we heard many witnesses at committee from the agricultural and agri-food sectors. Farmers in many regions of the country have been having a very tough time. We also know that many Canadians in the manufacturing sector have been having a very difficult time. There absolutely is benefit in engaging in greater trade with countries like Panama because the more opportunities we have to export products, services, knowledge and ideas, the more the people in Canada who are involved in producing, creating, and participating in those activities benefit. So it absolutely would be a net benefit to Canadian enterprise, Canadian farmers and Canadian jobs.

• (1345)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, what everyone can assume is that the position of the Liberal Party is not to worry about the money laundering of dirty drug

money because somehow this trade agreement will magically wave it all away.

As everyone will recall, that was the Liberal position on the Colombia trade deal and since the Liberals worked with the Conservatives to ram the Colombia trade deal through, we have tragically seen an increase in the number of murders by the secret police and military and paramilitary forces in Colombia. It is the same line that we had from the Liberals on Colombia, that somehow things magically would go away. It was false and it is false on Panama.

I would like to ask the hon. member if she would not prefer to simply come clean with the Canadian public and say that her party was wrong on Colombia and that maybe they are wrong on Panama and perhaps should vote against it.

Ms. Martha Hall Findlay: Madam Speaker, I find it a little challenging to have an allegation that somehow we are responsible for deaths in Colombia.

In any event, I am extremely proud of the fact that my Liberal colleague from Kings—Hants worked incredibly diligently with the Colombian and the Conservative governments to add a piece to the Colombia free trade agreement specifically dealing with human rights. We are, as Liberals, extremely proud of that fact.

It is nonsense to suggest that we somehow support the idea of tax havens and money laundering. As I said in my speech earlier, the people engaged in money laundering and looking for tax havens, whether they be in the Caymans, Panama, Switzerland, Liechtenstein or any number of places, are people who break the law. These are people who will not be paying attention to whether there is a free trade agreement in place. We do not support that.

I reiterate that I am very encouraged by the efforts of both the Canadian and Panamanian governments to move forward on an agreement with respect to taxes. Canada stands in a very good place to encourage countries that are moving forward. Panama is working very hard to move forward with the OECD regulations. This is an opportunity for Canada to encourage that kind of behaviour rather than to discourage it.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Madam Speaker, I am pleased to speak on behalf of the Bloc Québécois at this stage of Bill C-46.

Amendments have been proposed, and some of our colleagues have claimed that they gut the bill. It is exactly for that reason that we support these amendments.

This bill would implement a free trade agreement with Panama, which is not a good agreement. Many people, both Conservatives and Liberals, have spoken about the economic advantages. However, we cannot deny, and I believe we must acknowledge, that Panama continues to be a tax haven in the eyes of the OECD. Panama has not been taken off the OECD's grey list of tax havens.

Government Orders

Apparently, Panama has taken steps to be removed from this list, but that has not yet happened. Panama still has to conclude agreements and tax treaties with certain countries. Canada would be able to verify or monitor tax evasion by Canadian citizens if it signed a tax information exchange agreement with Panama.

When the bill was being studied, we heard that the Minister of Finance or the Minister of International Trade, I do not remember which one, had written to his counterpart in Panama about negotiating and signing such an agreement. The committee asked different witnesses on a number of occasions if Panama had agreed. To date, we have not been given an answer. We even heard a representative of the Government of Panama tell us, at the Standing Committee on International Trade, that it was not in the interests of his government to enter into a tax information exchange agreement with Canada.

If it is not in the interests of the Government of Panama, why is the Canadian government so intent, despite everything, on going ahead with this free trade agreement and passing an implementation bill, when that would mean giving away all our bargaining power with respect to Panama?

It is because we have given in to Panama. We have given in and will allow it to have free rein so that Panama can tax Canadian businesses. It has said that it wants to sign a double taxation agreement, which really means a no tax agreement. Canadian businesses will be able to repatriate profits to Canada, tax-free, and pay minimum tax in Panama. That is absolutely unbelievable.

The Canada Revenue Agency cannot even say estimate how much tax revenue it will lose because of such an agreement, how much tax leakage the middle class will have to make up through their work and their own taxes.

It is absolutely incredible that we are moving forward with such an agreement. That is why the Bloc Québécois is in favour of the proposed amendments. At least some attempts have been made to improve the bill. In committee, it was proposed that Canada and the Republic of Panama ratify a tax information exchange agreement, based on the OECD model agreement on the effective exchange of tax information, that would not cause Canada to lose tax revenue.

The Conservatives and the Liberals voted against that idea. They could at least have said they want to conclude a free trade agreement with Panama. As many have pointed out, such an agreement might not be such a bad idea.

• (1350)

However, if we end up losing revenue and promoting tax evasion and money laundering, I think that ethically speaking, we have to ask ourselves some serious questions.

Should we continue to move forward with this? The Bloc Québécois says no. We absolutely must wait and see whether this possible agreement could be used as a negotiating tool and as a way to put pressure on Panama to get off the OECD's grey list of tax havens and sign a tax information exchange agreement with Canada. That would be fairer for Canada.

I want to come back to the testimony of Richard Montroy, a Canada Revenue Agency senior manager who testified at the

Standing Committee on International Trade on November 17. We asked him whether companies could still bring tax-free profits back to Canada when there is a tax information exchange agreement in addition to a free trade agreement. He said yes.

In other words, there will always be companies bringing money back home no matter what. However, if we had all the tax information on Canadians and their investments in certain countries, we could recover some of the money that is eluding the Canada Revenue Agency.

That is not the case. The government has given up. The Bloc Québécois thinks we absolutely must support these amendments, go back to the drawing board and wait until Panama does its homework before moving forward.

• (1355)

Ms. Martha Hall Findlay (Willowdale, Lib.): Madam Speaker, I would like to remind the hon. member that, although the witness did say that it was not in Panama's interest to sign a tax information exchange agreement, what he meant was that the country would rather sign a double taxation convention. Panama has asked Canada twice to sign a tax information agreement. It is not that Panama does not want to sign an agreement but that it wants to sign a more comprehensive one.

I would like to ask the hon. member this: How will this help Canadian farmers, businesses and individuals who are currently able to export more goods to Panama? How would they benefit if the agreement were not signed?

Mr. Jean-Yves Laforest: Madam Speaker, the hon. member raised two points. She spoke about the testimony that the representative of the Panamanian government gave in committee. Although she was there too, I do not share her opinion that the representative clearly stated that it is not in the Panamanian government's interest to sign a tax information exchange agreement. To me, it seems obvious that a tax information exchange agreement associated with a double taxation convention, or no taxation for one of the countries, is much more comprehensive. When one of the two parties involved in such an agreement refuses to exchange tax information, it is because the party in question has something to hide. It is obvious. A tax information exchange agreement would allow both countries to know the value of the investors' assets and investments. Panama has rejected this completely. To me this is obvious.

With regard to the hon. member's second question about farmers and business people, clearly, postponing an agreement gives everyone the opportunity to adapt and it puts pressure on Panama. However, that does not mean that farmers cannot continue to profit from the situation.

[English]

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Madam Speaker, I appreciate my hon. colleague's input at the Standing Committee on International Trade. I disagree with his position on Panama, but I have a question on which we may be in agreement.

Statements by Members

The issue is fairly simple. Canada and Panama are already trading substantially, hundreds of thousands of dollars, millions of dollars' worth of trade. How could it hurt to put clear rules around the trade that already exists and reduce tariffs and barriers for Canadian businesses? How could that hurt Canadians?

[Translation]

Mr. Jean-Yves Laforest: Madam Speaker, in response to my colleague, I would say that we do not need a free trade agreement to define some clear rules. We could very easily start by creating a tax information exchange agreement and then negotiate a double taxation agreement, if necessary. We do not need to sign an agreement first.

The main problem now is that we are doing things backwards. When a country is recognized as a tax haven, we should sign a tax agreement before signing a free trade agreement. But that is not the case here.

STATEMENTS BY MEMBERS

[English]

FOREIGN AFFAIRS

Mr. Deepak Obhrai (Calgary East, CPC): Madam Speaker, our government is concerned with the recent wave of executions in Iran. According to the UN High Commissioner of Human Rights, at least 66 people were executed in January 2011. Among those was the Dutch-Iranian, Zahra Bahrami, who was hanged before the legal process against her was completed.

We are particularly concerned about Saeed Malekpour, a prominent resident of Canada, who was condemned to death when the software he created was allegedly deemed to be offensive by the regime. Mr. Malekpour is but one of the many Iranians who face disproportionately harsh punishment for dubious offences.

This government will continue to hold Iran accountable for meeting its international and domestic human rights obligations, including fair treatment and due process to all those in its prisons and before its courts.

* * *

● (1400)

[Translation]

ENTREPRENEURS IN THE KEDGWICK AREA

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Madam Speaker, on Saturday, January 29, I had the pleasure of attending the annual entrepreneur appreciation night organized by the Kedgwick Regional Chamber of Commerce.

The annual banquet is an opportunity to pay tribute to the region's entrepreneurial community. This year, the Kedgwick Regional Chamber of Commerce highlighted the work of four individuals. The honourees for 2010 were: business of the year—Michel Damphousse, Pharmacie Kedgwick; female entrepreneur—Rina Couturier, Cantine Yum Yum; volunteer of the year—Donald Gagnon; young volunteer—Kerry-Lyne Savoie.

I would like to take a moment to recognize the time and effort they have put into their own success and that of the community. Their leadership and drive make them remarkable people.

Once again, I offer my congratulations and say to them, the people of Madawaska—Restigouche are very proud of you.

* * *

GAËTANE VERNA

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, *La Presse* recently focused on 15 people who are shaping Quebec's artistic landscape.

I am particularly proud to say that Gaëtane Verna, director and chief curator of Joliette's art museum, is included on that list. The article lists the many successes of this dynamic woman, including the publication of a guide to the museum's collection and her commitment to renovating the museum.

The day after this article was published, Ms. Verna used the opening of the first exhibit of 2011 to acknowledge the work of her team, without whom, she says, she never would have made it on the list.

Ms. Verna, who has headed this Lanaudière institution for five years, stated that an institution such as the one she runs would be nothing without the volunteers, the artists, the board of directors, the partners and, of course, the public.

My Bloc Québécois colleagues and I want to congratulate Ms. Verna and show our admiration for the high-calibre contribution she brings to the cultural life of Quebec.

* * *

[English]

THE INTERNET

Ms. Olivia Chow (Trinity—Spadina, NDP): Madam Speaker, happy New Year of the Rabbit. I wish everyone good health and prosperity.

[Member spoke in Chinese]

[English]

During special occasions, family members who cannot be with each other rely on the Internet to connect, to be united. Whether it is through conversations on iChat or Skype, emailing pictures or messages and greetings, having Internet access helps keep families together.

Canadians want an Internet service that is fast and affordable. Instead of standing on the side of the major telecom companies that do nothing while Internet users get gouged everywhere they turn, we need a government to be on our side, a government that will say no to the cap imposed by the telecom giants on Internet services.

Canadians want choice, low prices and fair competition. I ask people to join our fight at OpenMedia.ca. Let us end all usage-based billing. Let us have an Internet service that puts consumers first.

*Statements by Members***THE BUDGET**

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Madam Speaker, I sincerely want to thank constituents who attended my prebudget town hall meetings in January, including several mayors, reeves and municipal councillors. Their input into the budget process is both helpful and important.

Generally they were happy with the way the Prime Minister and our government have managed the economy. Most agree that our five-year deficit elimination plan is appropriate. They strongly support our justice agenda and are angry with the opposition parties for slowing progress in this regard. The overall message was clear: carry on as planned.

I sincerely want to thank all who attended. I want to let them know that I heard their message and that their message and the information they gave to me will in fact get to the finance minister to be considered in the prebudget process.

* * *

TAXATION

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, the irresponsible Conservative corporate tax cuts are compromising our country's ability to respond to the needs of families, seniors, Canadians living in poverty and post-secondary students, among others. These tax cuts are being financed with borrowed money and, as a result, will have to be paid for by our children.

We have seen the government develop a society where the rich are getting richer and the poor are getting poorer. This erodes our nation's fabric and, as a result, threatens the very principles for which Canada stands.

Over the years, successive Liberal and Progressive Conservative governments have developed and enhanced medicare, the Canada pension plan, employment insurance, the child tax credit and many other programs, which are as much a part of Canada as the maple leaf. With these corporate tax cuts, these programs are under attack.

I call upon the government to stop the corporate tax cuts, stop the insanity, stop favouring the rich and to start showing some concern and some compassion for ordinary Canadians.

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● (1405)

WORLD CANCER DAY

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, tomorrow is World Cancer Day.

Last year over 170,000 Canadians were diagnosed with cancer. Last year I tabled a private member's bill to combat one of the most common types of cancer, and that is skin cancer. My bill calls for stronger labelling of tanning beds, drawing a link between tanning and skin cancer and warning our youth to avoid tanning machines.

The World Health Organization says that regular tanning results in a 75% increased risk of skin cancer if tanning begins before the age of 30.

My bill has received support from the Canadian Medical Association, the Canadian Dermatology Association and the Canadian Cancer Society, among others.

I applaud Canadian jurisdictions like New Brunswick and Victoria, B.C., for taking strong action to ban youth under 18 from using tanning beds.

As we recognize World Cancer Day tomorrow, we need to remember our friends and family who have battled against all forms of cancer.

I encourage all members to support my bill and to continue to advocate for cancer awareness and education to achieve a healthier future for all Canadians.

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[Translation]

PATRO LAVAL AND CENTRE DUROCHER

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I rise here today to commend the excellent work of two organizations in my riding. In 2010, they both celebrated important anniversaries.

Patro Laval celebrated 100 years of community involvement. Unconditional acceptance, mutual assistance and a sense of family are just some of the values one can expect from this Quebec City organization, where recreational activities are the focus.

Also, Centre Durocher celebrated its 60th anniversary and can be proud of having had such deep roots in the community for so many years. Through recreational activities, community action and public education, the centre allows residents of Quebec City's lower town to improve their living conditions.

Patro Laval and Centre Durocher are both active community centres where authenticity and openness to youth and family prevail. I would like to congratulate them on their longevity and thank their staff and volunteers for serving the people of Quebec City with such dedication and passion.

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[English]

SUPER BOWL

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, I rise today to acknowledge a young man from Lambton—Kent—Middlesex who will be playing in the Super Bowl this Sunday. In fact, he is the only Canadian in the Super Bowl.

Shaun Suisham from Wallaceburg is the kicker for the AFC Champion Pittsburgh Steelers. Shaun attended Wallaceburg District Secondary School where he starred as a member of the Wallaceburg Tartans. He went on to Bowling Green University from where he launched his NFL career.

Shaun is a fine young man who gives his time and resources back to his community, returning to Wallaceburg each year to conduct football clinics for young people in the community.

Please join me in wishing Shaun every success this Super Bowl Sunday.

Statements by Members

[Translation]

NATIONAL SUICIDE PREVENTION WEEK

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, today I want to talk about National Suicide Prevention Week. Of the 4,000 suicides committed in Canada each year, 90% involve a person with mental illness. Quebec has the highest suicide rate in the country.

[English]

Suicides can affect all generations, but our most vulnerable are our youth. We need to remember that mental health problems usually associated with adults, such as depression, also affect young people.

[Translation]

Suicide is the second leading cause of death among young people, after car accidents. We are still far too reluctant to talk about it, partly because of the sense of guilt and shame that is too often associated with suicide.

[English]

We need to break our silence about suicide, but we need to do a whole lot more.

The Canadian Psychiatric Association is calling on the federal government to implement a comprehensive national mental health strategy that will ensure Canadians of all ages are supported in their journey towards recovery and well-being.

[Translation]

Let us work together on a mental health strategy and put an end to suicide.

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[English]

WIARTON WILLY FESTIVAL

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, grab your swimsuit, grab your suntan lotion and get ready to go to the beach. Spring is coming early.

Yesterday I joined hundreds of people in the town of Wiarton, gathering around to see if Wiarton Willy would see his shadow. On Groundhog Day, the crowd waited with bated breath as Wiarton Willy, braving a fierce winter storm, came out of his den. Ultimately, he did not see his shadow, meaning spring is just around the corner.

Even Wiarton Willy's wannabe come lately cousins, Shubenacadie Sam and Punxsutawney Phil, waited for Willy's prediction before copycatting with their own predictions.

Now in its 55th year, the Wiarton Willy Festival attracts visitors from every corner of the globe, making it Bruce county's largest winter festival.

This tells us only one thing. Wiarton Willy, the only albino weather predictor in the world, is clearly the undisputed champion of weather forecasting. Not only is he Canada's most famous groundhog, but the most famous in the world.

Long hail Wiarton Willy. Spring is on its way.

●(1410)

HEALTH CARE

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, Canada's universal public health care system is lauded worldwide. Sadly, universality of care is increasingly at risk, in part due to rising costs, including prescription drugs.

Worst affected are Canadians who are reliant on costly medicines, but can least afford them, seniors and others with low or fixed incomes. In Edmonton, almost 60% of those with low incomes are struggling to pay for necessary medicines.

Universal pharmacare would ensure more equitable access by all Canadians to affordable medicines and quality of life. The federal negotiating position for the next Canada health transfer agreement must include universal pharmacare.

Tommy Douglas, the father of medicare, did not intend to limit it to hospitals and doctors. Coverage of drugs and other services was to follow. Despite repeated proposals and pledges, Canada remains one of the few industrialized countries without a national drug plan.

I challenge every MP to stand with me and the friends of medicare and demand universal coverage for their constituents.

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LUNAR NEW YEAR

Mrs. Alice Wong (Richmond, CPC): Mr. Speaker, it is a great pleasure and honour to celebrate the Lunar New Year with my fellow parliamentarians and Canadians of Chinese, Korean and Vietnamese descent.

It is also my honour, on behalf of the Government of Canada, to extend my best wishes as we celebrate the new year. The Year of the Rabbit is said to be a time of tranquility. I hope this is the case for all Canadians.

Over the last year, the relationship between Canada, Korea and Vietnam has grown stronger. For example, Canada's pavilion at the Shanghai Expo was an unqualified success. The approved destination status agreement has made it easier for Chinese nationals to visit Canada.

Of course, strong ties are a natural result of our great country having more than one million Canadians of Chinese, Vietnamese or Korean descent, making an important contribution to our national life all year long.

I wish all Canadians, particularly those celebrating the new year today, luck, happiness, health and good fortune in the Year of the Rabbit and beyond.

Gung Hay Fat Choy.

[Translation]

NATIONAL SUICIDE PREVENTION WEEK

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, during Quebec's 21st suicide prevention week, we must remember that most suicides can be prevented, and that one of the most effective tools in the fight against this scourge is to pay attention to any signs of psychological distress shown by our loved ones.

In 2009, 1,069 people committed suicide in Quebec, which is a 3% decrease compared to 2008. The rate has been dropping steadily over the past 10 years, especially among young people, which shows the effectiveness of prevention efforts.

However, it is unacceptable that there are still too many seniors who see suicide as the solution to their suffering: 41% of those who took their own lives in 2009 were aged 50 and over.

To prevent such tragedies, we must always be attentive to our senior citizens, especially when there is a major upheaval in their private lives or social networks. We must always remember that "suicide is not an option", as the 2011 campaign slogan so aptly states.

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[English]

DUBAI

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, Canadians are facing problems with travel and work in the United Arab Emirates, especially Dubai, due to the incompetence of the government.

Dubai is the economic hub of the Middle East and a gateway to Africa and Asia. It was, until recently, a strategic ally. Canada needs to get this relationship back on track.

Instead of diplomacy, the Prime Minister escalated a dispute, which has impacted Canada's economic and security interests.

In 2009 Canadian companies exported \$1.3 billion in goods to the Emirates, giving Canada a \$1.1 billion trade surplus. Over 200 Canadian companies operate in Dubai. Alberta, Nova Scotia and Ontario have all led trade missions to Dubai. Direct foreign investment by the Emirates in Canada amounted to \$4.4 billion, making it the 12th largest investor.

Canada is losing opportunities for a positive, constructive relationship and it is high time the Prime Minister looked after the interest of all Canadians.

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● (1415)

THE ECONOMY

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Mr. Speaker, our government's focus on jobs and the economy is producing results for Canadians.

Last summer the Prime Minister announced the creation of a federal pay centre in Miramichi, New Brunswick. Today I am happy to report that hiring is under way for the first 146 of the 550 jobs

Oral Questions

created for this initiative. Constituents are extremely happy with this good news.

With these new jobs, the pay centre is turning a tide in our community. It is no wonder that even the Liberal leaders calls this pay centre a fantastic idea. Miramichi mayor, Gerry Cormier, got it right when he said, "I truly believe the next few years are going to be good years in the city of Miramichi".

Ours is a party getting things done for Miramichi and all Canadians.

ORAL QUESTIONS

[English]

CANADA-U.S. RELATIONS

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, for months the government has been negotiating a secret perimeter security deal with the Americans. For weeks we have been trying to figure out, asking it over and over again, what this means for Canadian sovereignty and our rights as citizens.

Why the secrecy? Why is it that the government is talking about fundamental issues of Canadian sovereignty and Canadian freedoms with the Americans without talking to Canadians first?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, as members are aware, our government always puts Canada's interests first. Since we took office we have been focused on creating jobs and economic growth through free, open and secure borders. That means keeping our shared borders open to trade investment but closed to security and terrorist threats. More than \$1.6 billion crosses the border every day, creating jobs and opportunities for Canada and Canadians all across the country.

[Translation]

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the government and the minister are dancing around the issue once more. They refuse to even say the words "perimeter security" and yet they are holding secret negotiations with the Americans on this very issue, which poses a serious threat to our country's sovereignty and the rights of its citizens.

Why are these negotiations secret? Why do they refuse to clearly state what they are discussing with the Americans in Washington?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, as you are well aware, our government has always put the interests of Canadians and Canada first. Our government defends these interests. Since we came into office, this has been one of our main objectives, whether it involved resolving the softwood lumber dispute or resolving issues passed on by the previous government. We have been doing everything we can to develop Canada's economy and we continue to do so.

Oral Questions

[English]

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, first we have the Minister of Public Safety telling us that he does not know anything about the security side, then we have the trade minister saying that he does not know anything about the trade side and now we have the Minister of Foreign Affairs saying that he knows nothing about anything.

This is becoming a stealth deal and a bad stealth deal at that. Bad stealth deals are bad for Canadian democracy.

Why is the Prime Minister and the government refusing to tell Canadians what they are negotiating behind our backs?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, I will once again reassure my hon. colleague with a quote:

Yes, the usual critics will bellyache. But let's remember that they complained when the historic free-trade agreement was being negotiated between [Canada and the United States] in the 1980s.

Do members know who said that? That was from an op-ed written by five previous Canadian ambassadors to the U.S., including Raymond Chrétien, Michael Kergin and Frank McKenna, all of them Liberal political appointees.

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● (1420)

NATIONAL DEFENCE

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, the Minister of National Defence is quick to question my patriotism. I will go up against him any day on patriotism. I do not just dress up like a soldier. I actually serve my country.

The minister also likes his little *Star Trek* analogies, so I will take him where no Conservative has gone before, to fiscal competence and balanced budgets.

Why will he not hold an open competition, get the best aircraft for our needs, guarantee industrial benefits and save Canadians billions of dollars?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, that is exactly what we will do. In fact, I regret not having had the opportunity to serve my country in uniform. I serve my country in a different way.

Canadians can always count on this government to do the right thing when it comes to giving the best equipment to the best citizens, the members of the Canadian Forces. They can always count on this government as well to look out for the interests of taxpayers and our aerospace industry.

Why is it that the member from a region of Montreal is demonstrating contempt for the aerospace industry in his own region? He should explain that to his constituents.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Spoken like a space cadet in training, Mr. Speaker.

[Translation]

We have learned that the fighter jets will be part of the secret agreement signed by the Prime Minister and the American government.

Is it surprising that Robert Gates came here last week to say that we have to purchase the F-35? Can we not choose our own military equipment? Why is the Prime Minister letting Washington make our decisions for us?

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, we need to separate fact from fiction and maybe elevate the debate a bit.

This is a \$9 billion project. We are committed to giving the Canadian Forces the best aircraft available to ensure mission success and to protect them. Let us look at what this aircraft will do. In addition to the \$9 billion for the aircraft, it comes with supporting infrastructure, initial spares, training simulators, contingency funds and weapon systems, all at projected operating costs.

This is the best deal for the air force, for the aerospace industry and for Canadian taxpayers.

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[Translation]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Obama administration and the Secretary General of the United Nations, Ban Ki-moon, were very clear: a transition of power in Egypt is necessary and must take place immediately. The violence of recent days shows the extent to which the dictatorship of Hosni Mubarak is hindering all democratic efforts and, consequently, is detrimental to peace.

What is the government waiting for before it toughens its stance, like the U.S., and formally demands that President Mubarak step down as a condition for restoring peace in Egypt?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, we have been very clear since this conflict and the widespread protests began. It is extremely important to be able to proceed with an orderly transition that will result in democratic institutional reforms as well as free elections under the supervision of international observers.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the very fact that Mr. Mubarak is still in office is preventing an orderly transition in Egypt.

Does the minister realize that by refusing to formally demand that the Egyptian dictator step down immediately, he is giving radical Islamist groups more time to organize and seize power?

Oral Questions

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, the opposite is true. The Bloc members are the ones who are out of step with the debate and not keeping up with this issue. They glance at the newspapers and perhaps take their cue from the headlines, but this is a very serious matter that requires an orderly transition. I understand that the Bloc member and his leader are impatient and would like there to be a complete change tomorrow morning, but it has to be done in an orderly fashion.

• (1425)

Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, the government acknowledges that the family of Ben Ali profited by pillaging the people of Tunisia, but the government is dragging its feet.

What is the Conservative government waiting for to freeze the assets of the former dictator's family—as was done by the European Union and Switzerland—before these assets are transferred to a tax haven?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, yesterday and the day before, I had the opportunity to reassure members in this House and anyone interested in this case. The government is currently working closely with the Tunisian government authorities. We are developing every tool needed to freeze these assets. This process is in the hands of the government and we will do what we can to make it happen.

Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, those are fine words, but we need to see some action.

Does the minister realize that, by not immediately freezing these assets, he is an accomplice to the pillaging of the Tunisian people by the family of former dictator Ben Ali?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, not at all. That is not how it works. I repeat that we are in the process of looking at all the options. We want to be able to respond positively to the demands being made by the Tunisian government. With the help of my colleague, the Minister of Justice, we will ensure that we have the tools we need to get this done.

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[English]

CONSERVATIVE PARTY OF CANADA

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we understand that the Prime Minister is involved in secret back room talks with the leader of the Bloc Québécois on the parole system. Is this the same Bloc Québécois that we see in the Conservatives' nasty ads?

Imagine this. We have the Prime Minister and the leader of the Bloc working together to design Canadian public policy and officials from both parties say that the talks are going well. Is this some kind of a new coalition? Is he making the Bloquistes the driving force behind government policy? How is it possible?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I hope the coalition over there is not coming apart at the seams.

We are very concerned that so much important legislation, written by the hand of the Minister of Public Safety, has been stuck in

committee for more than 18 months. This government will work with anyone who wants to finally get tough on crime and on criminals.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the reality is that the members of the Bloc are here legitimately. They are here because they received votes from Quebecers. Despite their partisan attacks, the Conservatives, who aim to be divisive, who aim to instill fear, who aim to add fuel to the fire, will negotiate with the Bloc Québécois when it works to their advantage. That is the reality. The Bloc supported two Conservative budgets and the Liberals supported the other ones. I think it is time for some NDP input in these programs—

The Speaker: The hon. Leader of the Government in the House of Commons.

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we believe we have an important responsibility to make this Parliament work and that is exactly what we have been doing.

What we have been incredibly frustrated with is that the NDP and its coalition partners have been standing in the way of so much important legislation to get tough on crime and get tough on violent criminals to keep our communities safe. We can only hope that when the time comes the New Democrats will stand, do the right thing and join the crime fighting efforts of this government.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, who is dancing with whom?

The Conservatives had no problem counting on the Bloc to pass their first two budgets and then counting on the Liberals for all of the rest of them. What are the results? No job recovery, pensions at risk, the high cost of heating, the cost of the HST and the cost of living going up. That is what happens with these kinds of dances that go on.

We have offered practical solutions to make life more affordable. Why do the Conservatives dance with the Bloc instead of working with us to make life more affordable for the Canadian people?

• (1430)

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I can say that the first thing I did in this Parliament was to work with the NDP to pass the Federal Accountability Act. We wanted to eliminate the role of big money in politics and we did so. We did a lot of good and that is great for Canada.

What I can say about this is that the budget the Minister of Finance will present in a short while will be focused on jobs, on the economy and on our efforts to make Canada a magnet for jobs, investment and opportunity. The very last thing that we should do when we have seen some difficult economic times in recent years is to bring in a whopping tax increase, something that the NDP is too excited about.

*Oral Questions***PENSIONS**

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, Canadians need real help and solutions for the growing pension problem. The Conservative plan will not help those struggling today or give assurances to the 75% of Canadians who do not have a private pension plan. It would only help the profits of the banks and the insurance companies.

The Prime Minister once said of the CPP that there is “no real reason for government to run it at all”. Is this why he will not help Canadian families by expanding the CPP?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, that is exactly what we want to do. We want help Canadian families and help those people who want to prepare for their retirement.

However, the one thing we will not do is go against what all of the provinces have said will not work and that is a voluntary supplementary Canada pension plan that the Liberals still seem to hang their hats on.

The provinces are in a partnership with us on the Canada pension plan. It is solvent and it has been solvent for 75 years. The Liberals want to jeopardize that. It is in good shape. We will ensure that we provide options to Canadians for their retirement.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, yes, the Liberals did a great job of ensuring that the CPP was solvent.

It is significant for Canadians who do not have enough money to make ends meet and families that are struggling to understand why the Conservative government will do nothing to help them.

The new minister of seniors has several pensions. I can assure members that most Canadians do not.

How can the Prime Minister be against an enhanced CPP? It is cost-effective, efficient, secure, and it is Canadian. Which one of these things does he oppose?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the only thing we would oppose would be jeopardizing what is a very good system: the Canada pension plan that has been in place longer than that member has sat in this House, by the way.

It is important that we look at the big picture and how we can help Canadians save for their retirement. It is not through jeopardizing the present system that we have, but by enhancing the system that we have.

We are putting forward, along with our provincial counterparts, a pooled registered pension plan that actually will be a pension for the rest of Canadians that the hon. member speaks of who now do not have the option.

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CHILD CARE

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, after five years of Conservative government, Canada ranks last among OECD nations in the provision of early learning. It disbanded a national system and promised new child care spaces, but failed miserably. Now, this very week, the human resources minister

has her lawyers appearing at an EI tribunal, citing a report that could open the door to slashing by half the Liberal program that doubled parental benefits in 2000, allowing parents to spend the first year with their infant children.

Is this part of the government's tough on families agenda?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, when we were first elected to government five years ago, one of the very first things we did was fulfill a promise we made to Canadians to provide them with a choice on how they got their child care.

We believe that parents are the best ones to decide who will, and how to, raise their children and where. That is why we provided them with the universal child care benefit. It has helped over two million children across this country get the child care their parents want for them.

We believe in choice. It is too bad the Liberals do not.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, let us talk about this. Will the minister explain what exactly is the position of the government on the matter of parental leave? Does she support the Liberal benefit period? If so, why does she say one thing here and have her lawyers do something else in court? Will she instruct her lawyers to stop attacking the concept of extended parental benefits?

The minister has already told us she thinks families should take vacation time to help sick family members. Does she also think families should raise infants only on vacation time and weekends?

● (1435)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is the Liberals who wanted to ensure that parents were forced to have other people raise their children. We do not believe in that.

We are the ones who support whatever kind of child care parents choose to have. If they want to stay at home and look after their children, we support that with the universal child care benefit. If they want to take advantage of formal daycare outside the home, we support that. If they want to rely on a family member or a close friend or neighbour to help raise their children, we support that. We support families 7 days a week, 365 days a year.

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[Translation]

HAITI

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, following the earthquake in Haiti, the Canadian government committed to matching funds donated by the public to the earthquake relief fund. But the \$220 million from the government will be taken from the promised urgent relief funds and the money committed during the New York conference. In other words, there is no new money.

Why is the government playing accounting tricks at the expense of the Haitian people?

[English]

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, we have nothing to apologize for in our response to the earthquake in Haiti. Canadians generously opened their wallets and Canada disbursed over \$150 million in humanitarian and early recovery assistance. We will continue to stand by the people of Haiti as they work to rebuild their country.

[Translation]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, in addition to lacking transparency, the Canadian government is dragging its feet when it comes to getting Haiti the aid promised. According to the organization Concertation pour Haïti, barely a third of the \$400 million that Canada promised in March 2010 has been transferred to organizations helping the Haitian people.

Can the government explain why, when there is a desperate need for help, the promised aid still has not reached the victims?

[English]

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, we continue to stand by the people of Haiti as they work to rebuild their country.

We are working with the Red Cross, Oxfam, World Vision and UNICEF. We are working with the Haitian government. We are working with the United Nations.

There is no quick fix solution, but I can assure Canadians that we are in Haiti for the long haul and we are making a difference.

* * *

[Translation]

CANADA-U.S. BORDER

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, the government continues to keep mum about the creation of a Canada-U.S. security perimeter. The public and parliamentarians are not getting any information. The government even refuses to confirm that talks are already under way. Yet this week we learned that a working group will be created to define the new common border policy.

Why is the government refusing to be transparent? What does it have to hide?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, ever since we came to power on this side of the House, our top priority has always been to defend the interests of Canada and Canadians and also, as everyone knows, to promote our exports and trade with the United States.

In that respect, I remind hon. members that nearly \$1.6 billion worth of Canadian goods and services are traded across the U.S. border daily. This provides jobs in Canada. It obviously provides jobs in the United States. We are going to continue in that vein.

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, the government claims, as it just did, to want to enhance border security

and facilitate mobility. However, a number of border crossings in the Eastern Townships and the Montérégie area are going to be shut down or will cut back on services. The Minister of Public Safety is completely out of touch with reality. He did not even bother to respond to the letter I sent him on this.

How can the government negotiate an agreement with the United States when it is shirking its own responsibilities by cutting its border services?

• (1440)

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, the Canada Border Services Agency does an excellent job of ensuring that people and goods flow across our border and indeed prevent the entry of individuals and goods that are not welcome.

We look at each situation and make the determination as to how taxpayer money is best spent. I believe that CBSA has been doing an excellent job in accomplishing that goal.

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TAXATION

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, almost 50% of businesses in Canada are owned by women entrepreneurs. Eight in 10 new jobs are generated by small business owners just like them.

The cost of doing business is on the rise, yet the Conservative government has raised payroll taxes on small businesses while cutting taxes for the richest corporations. Why is the government punishing women entrepreneurs when they are the ones creating the jobs?

Hon. Rob Moore (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, if there is one thing this government has done, it is to stand up for small businesses and entrepreneurs.

We are creating an entrepreneurial advantage here in Canada by reducing taxes, providing access to capital and reducing the red tape that his party piled up during its 13 years in government.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, the Conservative government just does not get it.

Women in business are worried about finding affordable child care, how they are going to pay for post-secondary education, and what will happen if a parent gets sick.

The Liberals have a plan to ease these burdens, so that women entrepreneurs can focus on growing their businesses and creating jobs.

Why then are Conservatives focused on unaffordable tax cuts for the richest and most profitable corporations while hard-working women are left to fend for themselves?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, as my colleague pointed out, our government is supporting small business and entrepreneurs, male and female.

Oral Questions

We have cut the tax rates for them. We have reduced red tape by 20% already. We are going to do more. It is called red tape, because it is all the complicated stuff that the Liberals brought in.

The other thing we have done is that for the first time we have made it possible for the self-employed to access, on a voluntary basis, EI special benefits so that if they become sick, if a member of their family needs their help, if they become pregnant, they will have access to those special benefits, just like anyone else. We are proud of that.

* * *

[Translation]

HUMAN RESOURCES

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, nearly half of all small and medium-sized business owners are women. In Quebec, nearly two-thirds of these women entrepreneurs have children and three-quarters of them work over 40 hours a week. Support for post-secondary education for their children and support for informal caregivers are ways of lending a helping hand to these women entrepreneurs by lightening their load.

When will the Conservatives understand that our economic prosperity depends on our ability to support women entrepreneurs?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we have done a great deal to help entrepreneurs, to help women who want to take part in the workforce. That is why we introduced special employment insurance benefits to give them access to sickness, compassionate care and maternity benefits. That is why we made it easier for them to access these funds. That is why we are supporting them.

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, that is a very small consolation. Our small and medium-sized businesses cannot afford to lose any workers. The experts have been clear: we are about to face a shortage of skilled labour as more and more workers are getting ready to retire. Yet the unemployment rate among university-educated new Canadians is four times higher than among Canadian-born graduates.

When will the Conservatives do something to ensure that our economy can take full advantage of the expertise and knowledge of new Canadians?

[English]

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we have actually done more than the Liberals ever did to help new Canadians succeed in this country, for heaven's sake.

For 10 long years the Liberals froze the settlement fund that was intended to help newcomers get over the barriers of being new in Canada, of learning how to get to work. We increased that amount of money significantly. We are helping them get jobs.

Not only that, but we made happen the foreign credentials recognition and referral offices that allow newcomers to find out how to get a job, how to get qualified, how to get their credentials recognized before they even get here.

● (1445)

PUBLIC SAFETY

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, this morning the Federal Court upheld the minister's consideration of public safety in decisions under the International Transfer of Offenders Act, decisions that demonstrate our government's commitment to ensuring that safety and security are number one for our government.

Could the Minister of Public Safety give the House an update on legislation that would amend the act to further protect victims and law-abiding Canadians?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I want to thank the member for his hard work in this area.

Last spring we introduced Bill C-5, a bill that would ensure that the protection of our society is the paramount consideration when assessing requests for the transfer of international offenders.

However, today at the public safety committee, the opposition Liberal members and Bloc members, led by the NDP member for Vancouver Kingsway, gutted provisions of the bill that would make offenders more accountable. They succeeded in removing sections that protected victims, and they are clapping for that.

I wish the opposition members would start showing the same concerns for victims as they do for perpetrators of crime.

* * *

THE ENVIRONMENT

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, on Monday Environment Canada reported that the government's current plans will fail to meet the emission reduction targets Canada promised under the Copenhagen accord. They will meet at best only one-quarter of what we committed to.

Conservatives promised new regulations for major industrial greenhouse gas emitters in 2007, 2008, 2009 and 2010, but none of these promises has been met.

How does the minister intend to resolve this major gap in the government's own international targets?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I would urge my hon. colleague to be more diligent and prudent in her research.

Our government is firmly on track to meet our greenhouse gas emission reductions by 17% below 2005 levels by 2020. We have taken action in the transportation sector, a sector that accounts for almost one-third of Canada's greenhouse gas emissions. We will phase out dirty coal-fired electricity generating plants. We will then turn to other large emitters.

Oral Questions

All polluters must participate in reaching Canada's targets.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I find that interesting, but in fact the Environment Canada report advises that the measures the minister is talking about have already been taken into account and that three-quarters of the measures are missing.

The minister has defended tar sands development as ethical oil, yet repeated reports, including those the government has commissioned, point to serious health and environmental impacts, especially for first nations.

Instead of trying to spruce up the tar sands' image, why does the government not listen to the experts and take action to clean them up?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I would challenge my hon. colleague's research. Canada's oil sands are in fact an important economic resource and will be developed in a responsible and sustainable way to ensure Canada's role as a clean energy superpower.

Environment Canada monitors and conducts research on the impact of the oil sands on water and air. We enforce regulations and protect fish and the species at risk. Our ethical standards are matched by our vigilant environmental regulation of the oil sands.

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[Translation]

HARMONIZATION OF SALES TAXES

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, during the discussions I had with the Minister of Finance regarding the budget policy and the Bloc's recommendations, we obviously spoke about tax harmonization. During those discussions, I learned that the tax treatment of financial services was enough of an irritant for him to block negotiations.

Can the Minister of Finance explain to us why Quebec's financial services tax policy is a problem for him? Why is he getting involved in this?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, this is one of the many challenges that have arisen over the course of discussions between the Government of Canada and the Government of Quebec. We have had good discussions and we will continue with these discussions, which are well under way.

● (1450)

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, I hope that we will soon see results.

We know that the Government of Quebec uses tax policies to successfully combat tax evasion, for example, by taxing clothing and tobacco. However, it seems that Quebec's tax policy for these products is inconveniencing the Conservative government.

Can the Minister of Finance tell us what his problem is? Why does he take issue with Quebec's tax policies on contraband and tax evasion?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, our discussions on harmonization issues take place with other governments, not with opposition parties here.

We are continuing our discussions on this harmonization issue with the Government of Quebec. There has been some progress, but there is a long list of issues that need to be resolved and worked through, and that is what we are doing. I do not anticipate an early resolution.

* * *

[Translation]

TELECOMMUNICATIONS INDUSTRY

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, in 2006, the Conservative government bragged about giving instructions to the CRTC on how to manage Internet billing. Just recently, it had nothing to say about the CRTC decision. Then, the Conservatives said that they would review the decision. Now, they are thinking about reversing the decision if the CRTC does not do so.

Why not reverse that decision right now? Will they admit that they were wrong?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as I said, the decision made by this commission is unacceptable. We said that it was important to protect consumers, innovators and small and medium-sized businesses.

[English]

We have been very consistent in that approach. I say to the hon. member this is our position. It is unacceptable that this decision stands, and we will reverse the decision, or the CRTC will reverse the decision.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, it is important, but the Conservatives will not act now.

If we cannot go to Service Canada's 800 number, the government tells us to go online. Well, the government still has no plan to ensure broadband is available in rural communities. It lacks an open-government policy that would open all government spending to scrutiny by the public. Now it wants to stifle competition, restrict the openness of the Internet and have consumers pay more.

Does someone need to tweet the minister to tell him that he can reverse it right now?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I make no apologies for our program of rural broadband. We have put over \$200 million into rural Canada. This has meant that over 250,000 households in this country have access to broadband they did not have before. This is a Conservative government policy. We are for broadband access, we are for the Internet, we are for the consumer.

The members on the other side can produce all the sound and fury they want, but it simply signifies nothing.

*Oral Questions***CANADA-U.S. RELATIONS**

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, Canadians need to be able to trust that their government will not sell out their privacy or sovereignty in negotiations with the United States. However, instead of building trust and instead of consulting Parliament, the government is scheming to keep the deal secret. Even if a deal affects privacy and trade measures, under the Prime Minister, the Canadian people always seem to be the last to know.

How about a little transparency this time? How about bringing a deal before Parliament, and how about the Privacy Commissioner being able to see it as well?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, we have always indicated that our first priority is to be able to defend Canada's interests. The Prime Minister has been very clear on that.

We have also indicated that it was extremely important to be able to maintain our levels of economic growth, to maintain our open borders and to make sure as well that those borders are closed to those who would wish harm upon both the United States and Canada.

We are working very closely with our American counterparts and we expect to be able to defend Canada's interests once again.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the Conservatives are acting like the American government's doormat. American politicians continue to slag Canadians as terrorists and they go uncontested every single day.

Every deal this Prime Minister has made has led to a thicker border, not a thinner border. Canadian businesses in places like Windsor are being hit hard by increases in fees and longer delays. Countless other communities along the border, like Trail, Welland, Fort Erie, and St. Steven rely on the quick delivery of goods.

Will the government, at the very least, tell this House what demands it will make to address the serious shortcomings at Canada's border with the United States?

•(1455)

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, the efficiency and security of our shared border remains our priority. We are always concerned to have decisions that impact appropriately not only on staff and costs but, indeed, also on the goods and travellers we want to see cross and those we do not want to see, because they are illegal or otherwise inappropriate.

* * *

[*Translation*]

THE ECONOMY OF QUEBEC'S REGIONS

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, while the Conservative government is focusing on the economy, the real priority of Quebecers, and continuing to help people in the regions, the head office of the Parti Québécois in Ottawa is at it again and wants to trigger a needless election.

Can the Minister of Natural Resources tell this House what action the Conservative government is taking to help the people in Quebec's regions?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, I thank my hon. colleague for his excellent question. Our government's priority is the economy, and we are helping people in every region of Quebec. That is why we cannot accept the CRTC's decision on billing for Internet services. By reversing that decision, our government will ensure that people and businesses in every region of Quebec have affordable Internet access. Our Conservative government is acting consistently to help all sectors of the Quebec economy and all regions of Quebec.

* * *

[*English*]

INFRASTRUCTURE

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the Prime Minister's first act towards Prince Edward Island when he became Prime Minister was to cancel a signed agreement providing for an energy cable to New Brunswick. As stated by the province, the cable is critical for its energy accord plans. However, the Minister of Transport, when he was in Prince Edward Island, made light of that request.

Will he now reconsider and right the wrongs of his leader's past and commit to that funding required? We know moneys for similar projects have been committed in B.C. and the Yukon.

Will he commit to the energy cable today?

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, what I can tell the House is that I had an excellent meeting before Christmas. The Minister of Fisheries, from Prince Edward Island, had arranged a meeting with the provincial ministers of Prince Edward Island. At that time, it was made very clear that this was a priority for the province. We understand that. It was not a priority, as I mentioned, when I was there for the provincial-territorial fund, but they have put it in as a priority under the green infrastructure fund.

We are looking at and examining options. We are looking at the Confederation Bridge as a conduit. We are looking at an underwater cable. We are looking at all options.

However, the one thing we are looking at as well next time is trying to find a way to get the member involved in this issue, because he has been nowhere.

Oral Questions

[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, according to data released by Environment Canada, the Conservative government will not meet its own targets for reducing greenhouse gas emissions. We have also learned that the Prime Minister will take advantage of the crisis in Egypt and the meeting with President Obama to promote the oil sands.

Instead of taking advantage of international tensions to encourage the export of dirty oil to the United States, why does the Prime Minister not put forward a real plan to combat climate change and reduce the use of fossil fuels?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I must inform the hon. member that the information he cited is incorrect. Period.

[English]

Our government is firmly on track to reduce total greenhouse gas emissions by 17% below 2005 levels by 2020. We have mandated 5% renewable fuel. My friend's research is flawed. He should visit the Environment Canada website to get the data that form the basis of our program.

* * *

TRANSPORT

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, shockingly, Canada is the only OECD country that does not have a national public transit policy. Cities like Toronto, Vancouver, Edmonton and Montreal invest in their transit systems, but there is no national plan. High quality public transit creates jobs, improves air quality and our environment.

Today I tabled the national public transit strategy act. Will the government support my bill so Canadians can finally have a fast, affordable and accessible public transit system?

● (1500)

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, of course the primary relationship on transit is between the provinces and cities and townships across the country. That being said, we have contributed mightily and in an increasing way not only by doubling the amount of money in the gas tax and making that permanent, but also by making major infrastructure investments across the country.

There is one other question I have when it comes to transit. Why is the member almost exclusively and all by herself the only one against improving transit to the Toronto downtown airport? I do not get it. Why is she against making that an efficient airport hub for Torontonians?

* * *

THE ECONOMY

Mr. Ed Holder (London West, CPC): Mr. Speaker, the global economic recovery remains fragile and the government's top priority must be to continue to help create jobs and economic growth for Londoners and all Canadians.

We have seen strong results from our economic action plan, with almost 400,000 jobs being created and five straight quarters of economic growth. Canada has the best job creation track record in the entire G7, with our unemployment rate almost 2% lower than the United States. However, the job is not done.

I would like to ask the Minister of Finance to please advise the House on how our government will continue to create jobs and economic growth for all Canadians?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, our government believes in keeping taxes low. It is well known that the opposition favours higher taxes and irresponsible spending. Our low-tax plan is creating jobs for individuals and families across Canada. The average saving from lower taxes in this country is about \$3,000 per family. This is not the high tax and spend plan of the coalition opposite. Canadians cannot afford—

The Speaker: Order, please. The hon. member for Simcoe—Grey.

* * *

PUBLIC SAFETY

Hon. Helena Guergis (Simcoe—Grey, Ind. Cons.): Mr. Speaker, I support the ministerial directive on the release of criminal record information for vulnerable sector screenings by the RCMP, which closed a loophole that could have been exploited by pardoned sex offenders who change their names. Volunteer groups, employers and organizations support this change, but they are faced with a dramatic increase in the length of time it takes to screen individuals. A bottleneck is straining the system and it is now taking up to six months.

The vulnerable sector, not-for-profits, the unemployed and small business cannot wait this long. A joint effort to streamline this process is required to preserve the integrity of this important public safety measure.

What is the Minister of Public Safety going to do?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, here are the facts. There are mechanisms and safeguards in place to ensure that when the system is followed, criminal records for pardoned sex offenders are properly identified and accurate, and that innocent individuals are not being mistakenly identified as criminals.

Ninety per cent of the checks are done within 30 days. I know that there have been some issues with delays, and I look forward to working together with the member to improve the efficiency of the system in order to protect individuals.

*Government Orders***BUSINESS OF THE HOUSE**

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, I would like to ask the government House leader what the business will be for the remainder of this week and, of course, next week. I also would like him to address, if he could, two specifics in anticipation of next week.

First, what are the allotted days for opposition day motions, particularly opposition day motions broken down by party, based on the agreement that we negotiated with all parties prior to Christmas?

Second, I would like to ask specifically, which will be the second or third time that I have asked the minister in the House and several times privately, when the government plans to bring Bill C-49, which was given first reading on October 21, 2010, some three and a half months ago, to the floor of the House. It is important, because the Prime Minister, the Minister of Citizenship, Immigration and Multiculturalism, the House leader and many ministers in that cabinet spend a lot of time talking to Canadians about what they consider to be the merits of this bill but they simply will not bring it to the floor of the House of Commons. The official opposition is ready to deal with that bill and to have it both in the House and in committee.

Perhaps the minister could explain to the House where Bill C-49 is.

•(1505)

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we are working hard to make Parliament work. I know that when it comes to Bill C-49, the Liberal House leader and his caucus want to kill Bill C-49. They do not want to send it to committee. We will call Bill C-49 for debate. We will call it for a vote and we look forward to members going on record to take their positions on that very clearly.

The government continues to make Parliament work and has been able to move our legislative agenda forward this week. I thank all members of the House for passing Bill S-6 Serious Time for the Most Serious Crime Act, which would get rid of the faint hope clause, and make its way through the House of Commons. I think that was a good day. There were a number of victims' representatives in the gallery and I was very proud of that, as I think all members should be. We also passed Bill C-48 Protecting Canadians by Ending Sentence Discounts for Multiple Murders Act, which will move to the other place.

Today we will continue the debate on the report stage of Bill C-46 Canada-Panama Free Trade Act, Following Bill C-46, we will call Bill S-10 Penalties for Organized Drug Crime Act, and Bill C-55 Enhanced New Veterans Charter Act.

Next week we will continue with the unfinished business from this week, plus Bill C-57 Improving Trade Within Canada Act; Bill C-50 Improving Access to Investigative Tools for Serious Crimes Act; Bill C-12 Democratic Representation Act; and Bill C-20 An Action Plan for the National Capital Commission, .

To respond to the Liberal House leader's question, we will have opposition days scheduled for Tuesday, February 8 and Thursday, February 10, which would be for the Bloc Québécois.

I also will be giving priority to any bill that is reported from committee so that we can continue to move the legislative agenda forward.

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POINTS OF ORDER

ORAL QUESTIONS

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I need to point out how wrong the Minister of Transport, Infrastructure and Communities was. On December 2005, I announced the cable agreement, fully funded, fully committed. It was announced and that government cancelled it. It is time it re-committed the money.

The minister is absolutely wrong in what he told the House.

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, the member opposite made a campaign commitment during December 2005. The House was prorogued at that time.

The reality is that the Liberals had four terms and could not get it done. If they had just had that fifth term, I am sure they could have got it done.

The Speaker: I do not think that is a point of order. It sounds like a dispute as to facts. I suggest we move on to orders of the day.

GOVERNMENT ORDERS

[English]

CANADA-PANAMA FREE TRADE ACT

The House resumed consideration of 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, as reported (without amendment) from the committee, and of the motions in Group No. 1.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I am pleased to speak to this legislation, the free trade agreement between Panama and Canada.

The fact is that Canada has its trade deficits today. For the first time in 30 years, we actually buy more than we are selling internationally. That is ominous for a small, open economy like Canada has that depends disproportionately on external trade for our standard of living and our wealth as a country.

If we look at where the world is headed and where the growth will be over the next five to ten years, we see that it will be in China, India and in the Asian economies. We also see a lot of opportunities in Africa, despite the governance concerns in certain countries. We see a lot of progress in Africa and we see a tremendous amount of growth and opportunity.

Then we look at the Latin American countries and increasingly it is clear that being dependent on the traditional economies of the U.S. and Europe is not where we want to be.

Government Orders

The fact is that the Conservative government spent its first three years in office chiding China and ignoring India. It did more to damage Canada-China relations than any government I can imagine. In fact, it imperilled a profoundly positive relationship that goes back 40 years ago to when Pierre Trudeau, a Liberal prime minister, was the first western leader to establish diplomatic relations with post-revolution China.

We know growth will be coming from Asian economies such as China and India. We also know that growth will be coming from Africa. What are the Conservatives doing with Africa? In fact, we cannot find Africa on a Conservative map. The Conservatives have completely ignored Africa. They have ignored the important opportunity and responsibility we have to transform Canada's relationship with Africa from one of aid and dependency to one of trade and opportunity. I believe there is a tremendous opportunity for Canada to deepen its traditionally strong relations with Africa and to move forward as trade partners.

I want to speak to Latin American opportunities and specifically to Colombia because we face some very similar challenges.

There are a lot of natural resources in Latin America. We in Canada, of course, have a lot of natural resources. We have seen an ascension of our Canadian dollar from 62¢ back in the earlier part of 2002 and now it is almost at par. If we look at Latin American countries we see a tremendous rise in Latin American currencies. This is as a result of the demand for our natural resources, our commodities.

Throughout the Americas, both Canada and Latin America face a very similar challenge with Dutch disease and the crowding out of our traditional manufacturing sectors and jobs, which is why it is important that we work together to bring down the trade and regulatory barriers between our economies so that we can be more competitive and be competitive with some of the emerging economies in Asia.

In terms of FTAs with the region, we have had an FTA with Chile since 1997 and with Costa Rica since 2002. The FTAs with Colombia and Peru were ratified in 2010. We now have this agreement with Panama.

I had the opportunity last week to meet with President Martinelli of Panama. We discussed the free trade agreement and we discussed the need for our two countries to work together for the good of our citizens.

Panama is a country that has made tremendous progress. I actually shared a panel with President Martinelli at the World Economic Forum last week in Davos where we were discussing the trade opportunities within the Americas and the need to work together because the American political system and Congress right now face tremendous challenges when it comes to trade issues. The level of protectionism in the U.S. that is so pervasive in Congress right now is preventing the U.S. from playing the leadership role that it ought to be playing in places like Latin America.

• (1510)

This creates a responsibility for Canada to be a good partner with Latin American countries that face very similar challenges and some similar histories as Canada. The American protectionism in Congress

right now creates a responsibility for Canada to act and to lead in Latin American but it also creates opportunities for our construction and infrastructure companies, our financial services sector and our agriculture sector.

One of the things we watched with the Colombia FTA was that after we ratified the FTA, American farmers are now putting increased levels of pressure on their legislators to get their FTA ratified with Colombia because American farmers are losing out and Canadian farmers are actually gaining market advantage in Colombia. The same will happen in Panama because it is clear that we will ratify this FTA, or I certainly hope so, in Canada before the Americans have the opportunity to do it.

When we look at the roles that some of the Canadian companies are playing in the region, we see Brookfield Asset Management; AIMCo, the Alberta investment fund; the Bank of Nova Scotia which bought Royal Bank of Scotland's Colombia assets; Pacific Rubiales; Talisman; Canaccord; and Columbus Communications, a Canadian company that has 14,000 kilometres of undersea fibre optic cables throughout the Caribbean and Latin America. Those are some of the important roles that Canadian companies are now playing in shaping the future of Latin America and the Caribbean region, and it just the beginning.

One of the things that has emerged over the last several years in Canada is that we have become a global centre for mining. Fifty-seven per cent of the world's publicly traded mining companies are now listed on the TSX. Eighty per cent of the volume for all mining equity financing in the world is in Toronto, which is actually 33% of global equity financing in dollar terms. To put this into perspective, the U.S. markets only account for 9%.

This gives us an opportunity to lead in these sectors, not just in terms of trade and commerce, balance sheets and financial statements, and shareholder returns and dividends, but in terms of corporate social responsibility and in terms of Canadian companies helping to set the standard in terms of social, progressive and environmentally responsible behaviours.

Last week I met with President Luis Moreno, the president of the Inter-American Development Bank. He shares with me the belief that Canada can play a leadership role in helping shape corporate social responsibility throughout the Americas by working with the Inter-American Development Bank. Canada does best when our companies and our governments work together with other governments multilaterally through agencies that we support and invest in, like the Inter-American Development Bank.

I know that some concerns have been raised about the tax haven issue, but I think it is critically important to recognize that Panama has actually proposed double taxation agreements to the Canadian government. We believe it is very important to move forward with these agreements and we want to see the government do that.

Government Orders

Some of the concerns that some of my colleagues in the NDP have raised have been very similar to concerns they have raised about every FTA. In fact, we could simply take out of the NDP talking points the name of the country and say that it opposes the FTA with a certain country, and then just fill in the country and add the reasons, which are basically always the same reasons. There are no new reasons because it is an ideological as opposed to a practical argument against the odd duties created by traded.

One of the arguments that the NDP members used against the free trade agreement with Colombia was that there had been some level of illicit drug trafficking and money laundering in Colombia in the past. I want to address that because if we are serious about working with the Government of Colombia and the people of Colombia to reduce that drug trade, the most important thing we can do is provide alternative economic opportunities through legitimate trade. I would argue vigorously that failure to do so would make us complicit with that drug activity.

● (1515)

What does one expect the people of Colombia to do if we do not trade with them and we do not provide legitimate economic opportunities? Desperate people will make their livings in the only way they know how. The best way to liberate them from the tyranny of the drug trade is to provide legitimate economic opportunity.

I also met with President Calderon last week from Mexico. One of the things President Calderon and his security advisers told me was that the success of President Uribe in Colombia, in the Colombia Plan with the United States, in stamping out the drug trade has led to the drug trade growing in Mexico.

It is a multilateral issue. Canada, the United States, Mexico, all the countries in the Andean region throughout Latin America have to work together, not just to help achieve security in one country but to help achieve security throughout. We have to do it multilaterally.

A good place to start is through free trade agreements with these countries that are moving forward and enabling Canadian businesses and farmers to participate in the opportunity of helping these countries move forward and the opportunities to prosper in Canada.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, there are so many questions I could ask the hon. member. I am glad to see him back in the House.

The same comments the Liberals were making about NAFTA and how NAFTA was going to lift Mexico out of the difficult economic problems it was having actually led to the opposite. The removal of the tariffs has led to a meltdown in the Mexican rural economy. Tens of thousands of people have died in the drug wars in Mexico. My colleague's argument about NAFTA is contradicted by the facts as are his arguments about Colombia.

The member said that the agreement with Colombia would somehow increase human rights respect and decrease the constant and ongoing human rights violations by security, secret police, the military and the paramilitary in Colombia. Instead, tragically, in 2010, 46 trade unionists were assassinated, many of them teachers. A few days ago Manuel Esteban Tejada was killed. We are seeing an increase in the number of murders, not a decrease. We will have to

surmise that if the member was wrong on Mexico and he is wrong on Colombia, he and the Liberal Party must be wrong on Panama.

The IRS has said that Panama, along with the Cayman Islands, is the worst haven on earth for drug money laundering tax havens. This trade agreement would stimulate that. Rather than a double taxation agreement, Canada asked for a tax information exchange agreement, which the Panamanian government has refused to sign. How can the member justify this agreement when the Panamanian government is refusing to sign a tax information exchange agreement?

The Liberal Party is supporting an agreement that allows the unhindered flows of capital from Canada to Panama at the exact time when the IRS is saying that Panama is one of the worst in the world for money laundering of dirty drug money.

● (1520)

Hon. Scott Brison: Mr. Speaker, I always enjoy listening to the hon. member. I basically disagree with everything he says because he is usually totally misinformed. It reminds me how important it is to have a party in the House of Commons that is not right of centre like the Conservatives or left of centre in the economic hinterland like the NDP. It is good to have a good politically centrist, economically pertinent and informed and socially progressive party like the Liberal Party in the House.

I do not know where to start. It is tough.

First, in terms of Colombia, 82% of Colombians support the government of President Santos. Only 6% of Colombians voted for anti-trade candidates in the last election. The Colombian people support free trade.

Second, the murders that he is referring to have often been committed by FARC, his ideological soulmates, and by drug traffickers. If he is serious about protecting trade unionists and teachers in Colombia, he should provide legitimate economic opportunity to the people and help wean them away from those terrible drug lords and drug trade, which for many people in Colombia, in fact for 40 years, represented the opportunity.

I find it interesting that the hon. member never talks about FARC. He never talks about his ideological soulmates, the Marxist-Leninist FARC in Colombia, that has been murdering people. He never talks about the murderous Hugo Chávez in Venezuela. He never talks—

Mr. Peter Julian: Mr. Speaker, I rise on a point of order. As the hon. member knows, we have denounced what violence has come from FARC. What we are talking about is the Colombian government.

The Speaker: I am not sure that was a point of order.

The hon. member for Kings—Hants has the floor.

Government Orders

Hon. Scott Brison: Mr. Speaker, I have never heard the hon. member in fact say anything against the tyranny of FARC or of the violence that it has continually committed on the people of Colombia and the fact that it has been housed in Venezuela. In fact, Hugo Chavez's Venezuela houses FARC and from Venezuela FARC is attacking the people of Colombia. The member and his party sit back and applaud Chavez. They believe Chavez is their folk hero when he is a cancer on Latin America.

We have a responsibility to work with President Martinelli in Panama, President Santos in Colombia and with democratic regimes in that region, those who understand the importance of free people and free economies to allow people to prosper and move forward.

• (1525)

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I am pleased to be speaking today about Bill C-46. This debate has been lively because of the divergence of opinions among the various political parties as well as their different values. The debate about these free trade agreements with Colombia and Panama is a debate about conflicting values.

I am speaking about this bill today because it deals with an agreement that I have been following for a while, having sat on the Standing Committee on International Trade for a few years.

To begin, I would like to say to the House that we, too, will be supporting the proposed amendments, even though they would void this bill. The fact remains that we think that is a good thing. In fact, this bill would allow Canada to sign an agreement with a tax haven, that is, with Panama. While the government is saying that it wants to fight against tax havens, it is now ready to sign a free trade agreement with a country that is on the OECD's tax haven blacklist.

We are against this free trade agreement. We now know that this tax haven, Panama, denied Canada's request for more tax information. In exchange, the two countries agreed on double taxation. That is nothing like our request for more tax information from each country once the agreement is signed.

The Bloc Québécois is not against all free trade agreements. We were against the one with Colombia, clearly, as well as the one with Panama. However, we were the first party in this House to call for a free trade agreement with the European Union. And we believe that agreement is more fair and reasonable for Canada and Quebecers.

And we, the sovereignists, orchestrated the free trade agreement that was signed in the 1980s with the United States and Mexico. We are in favour of a free trade agreement when it is fair to workers and the economy and when it complies with environmental or labour standards or standards that make investment as prosperous for Quebec and Canada as for the country signing the bilateral agreement.

In the case of the free trade agreement with Colombia, I participated in the mission to Colombia and Panama in order to meet with different people affected by the agreement. I remember very well that the unions, women's groups and labour groups were opposed at that time to the Canada-Colombia free trade agreement for all sorts of reasons. There was the corruption, even within the Uribe government, and the role of the paramilitary, who protected

some mine operators who exploited workers. We were against the agreement. It was unacceptable to Quebec and Canada.

• (1530)

Justice and fairness are values held by Quebecers. We meet the standards of the International Labour Organization, as well as environmental standards. It is hard for us to imagine signing agreements with countries that do not respect these fundamental values.

As a leader in labour, environmental and economic relations, we should set an example and sign agreements with people and countries that respect our values. The opposite is true in the case before us. We are signing agreements with countries that do not respect our values. There is a lot of talk about drug dealers in Panama. It is a country where drug dealers launder money, a country that has many tax shelters. This agreement could allow some companies to avoid paying taxes, which would further reduce Quebec's and Canada's tax base. Our tax base equips us with more health and education services, social policies and social programs.

By signing an agreement with this country, the government would certainly encourage some companies to export, but there is a risk that these companies could take advantage of very low taxes and tax opportunities in Panama, which would lead to the loss of considerable revenue.

The situation in Panama is not as serious as the situation in Colombia, but it is still rather worrisome. First, there is the issue of workers' rights, which are not very well protected in Panama. Members will recall an announcement that made international headlines on June 30, 2010. The government of President Ricardo Martinelli passed Law 30, which was deemed to be anti-union legislation. This law included a reform of the labour code that was considered to be repressive because it would criminalize workers who demonstrated in defence of their rights. The Government of Panama recently agreed to review this law, but we have every reason to be concerned about the government's true willingness to comply with international labour conventions.

As parliamentarians and in the name of international solidarity, we must take action and speak out against bilateral free trade agreements that violate workers' rights.

Unfortunately, the Conservative government, with the support of the Liberals, is claiming that this kind of bilateral free trade agreement will generate revenue, create jobs and improve our competitiveness. I do not believe that the Canada-Panama free trade agreement will benefit workers in Berthier—Maskinongé or the rest of Quebec.

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We must not forget that Panama is still considered to be a tax haven and a place that does not comply fully with international labour laws. The Conservative Minister of Finance told us that he was currently negotiating a tax treaty with Panama in order to tighten the rules on banking transparency to better combat tax evasion. We recently learned that Panama has no interest in signing this type of treaty. Furthermore, nowhere in the Minister of Finance's records do we see any evidence that such a treaty with Panama currently exists or is under negotiation.

• (1535)

[*English*]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, the hon. member's concern regarding this agreement is the lack of requiring adherence to critical environmental principles.

We had discussions in the House previously on the bill, in which I and others raised a number of problems, including the fact that the Government of Canada had severely downgraded the environmental side agreement it entered into with the United States and Mexico.

In the series of trade agreements that the Conservative government has entered into it has consistently downgraded environmental provisions. These provisions should be included within the trade agreement if the government really believes in balancing economic development and environmental protection.

Should the government at least have a strengthened agreement requiring that environmental obligations be lived up to by both sides including the effective enforcement of environmental laws?

[*Translation*]

Mr. Guy André: Mr. Speaker, I want to thank the hon. member for her excellent question. This is no different than Colombia. We know full well that neither environmental standards nor the workers are being respected there and that the workers are often exploited.

I am a member of Parliament with a background in the labour movement, community and the environment. I naturally believe that workers' rights are universal rights. What I am saying and what I am trying to say to the House is that Quebec and Canada should be setting an example for the world with fair and equitable working conditions and by meeting environmental standards in mining, for example, or other common activities where we are concerned about greenhouse gases and climate change.

We should be signing free trade agreements with countries that meet these standards and share these values. But we are signing agreements with quasi-delinquent countries. In this case we are talking about Panama, which is a tax haven where drug traffickers generally launder their money. It is a known fact recognized by the OECD.

[*English*]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the member is familiar with the OECD's grey list and blacklist as well as the French blacklist on tax shelters.

In February last year, the Government of France was tough with Panama because it was refusing to sign a double taxation avoidance treaty. France was creative and levied a tax of 50% on dividends, interest, royalties and service fees paid by anyone based in France to

a beneficiary based in the countries on the blacklist, which includes Panama.

What happened? The Panamanians immediately rushed to get off the list and within months France signed a tax treaty with Panama.

France is not negotiating a free trade deal with Panama, yet Canada, which is actively negotiating a free trade deal with Panama, does not seem to be interested in the fact that it is dealing with a country on France's blacklist.

[*Translation*]

Mr. Guy André: Mr. Speaker, I would like to thank my colleague for his excellent question. This worries the Bloc Québécois because, as I said earlier, this country is on the OECD's blacklist. It is difficult for the French to sign this type of agreement, and the U.S. Congress is no different. The Americans are very hesitant to sign an agreement with Panama for the reasons I gave in my speech.

We have a government right now that only seems to worry about the economic side. But this agreement will not produce huge economic spinoffs, and it will not create many jobs in Quebec and Canada. The government is not taking that into account. In any event, in the exercise of power, it is not concerned with environmental issues.

As everyone knows, we have tried many times to get the House to pass anti-scab legislation for the workers, to no avail. Look at employment insurance and it is clear what the government thinks of workers. There are still some issues there. So, with the support of the Liberals, unfortunately, the government is signing this type of agreement with Panama, but I do not feel that it is an agreement that respects the values of Quebec and Canada.

• (1540)

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, if we followed through on the amendments being proposed and if the amendments were to pass, it would literally gut the bill as we know it and in essence void the bill.

The amendments brought forward at committee were not passed. I am not too sure in terms of the actual strategy in reintroducing them at this stage, other than I believe the New Democrats are trying to send a very strong message of opposition to the bill.

It is important for us to recognize that the greater economic engagements for Canada as a nation can best be done when we look at how we might be able to expand trade with the world.

A number of years ago we had the whole team Canada philosophy of former prime minister Jean Chrétien, with the idea of working with provinces and reaching out to other world economies and selling Canada as a trading nation. The Liberal Party was very aggressive in this regard.

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Because we no longer take the approach of trying to appeal to the world to trade with Canada, a direct result is that Canada has a trading deficit. The Conservative government needs to be held accountable for that trading deficit. It is something we should not take lightly. If the Conservatives want to steal some ideas from previous Liberal governments, one of the ideas I would suggest they take is the idea of working with the provinces, going abroad, going to some of the economic powerhouses to see what we can do to generate more open markets so that both countries could benefit immensely.

I had the opportunity during the break to go to two countries, the Philippines and India. In both countries I had the opportunity to talk about trade. India is thought of as one of those countries that is going to be an economic powerhouse in the not too distant future. Some predict it will become more of an economic powerhouse than China. I would like to see the government pay more attention to the Government of India in terms of developing additional economic ties.

One of the greatest assets we have as a nation is our people. We have hundreds of thousands of people of Indian ancestry who have connections and the ability to use those connections to improve the relationships between Canada and India. It would go a long way in raising the standard of living not only for people living in India but also people in Canada. India is a phenomenal country that has much economic opportunity. Canada is missing the boat by not being more aggressive on the India file.

The Philippines is a country which I have fallen in love with. I would love to see more economic and social ties with it. It is an area where there is great potential.

I would like to see the Canadian government be more outward in its thinking in terms of how it can develop these countries, assist in different ways, but also to put an emphasis on improving trading relationships between Canada and countries like the Philippines and India.

● (1545)

That is why I was a big advocate of the concept of the team Canada approach. Not only did it involve government leaders but it involved educators and industry reps. It was very wide in terms of the different stakeholders that were involved. Many connections were made because of the size of the group that went to China or wherever it might be.

Earlier a member made reference to the China factor. China's economy is gigantic and continues to grow. The government really has not done well in terms of fostering a good relationship with China.

When we look at the things I am referring to, it is no wonder Canada as a nation is actually falling behind. We now have a trade deficit. My advice to the government is to put more emphasis on trade. After all, Canada is dependent on trade. We are a trading nation. It is important for us to recognize that we need to encourage other countries to purchase our materials, services and so forth. Without that, our lifestyle would be dramatically different from what it is today. We need to encourage that.

When we look at the proposed Canada-Panama agreement, unlike the New Democrats, I am not fearful of the opportunities that exist. Yes, I have some concerns. I think most Canadians would have some concerns and I do not question that. I see the value of having a trade agreement such as this and the impact it could have on Canada and Panama as well.

It equates to millions of jobs in Canada. Some would estimate that trade factors in the neighbourhood of 80% of our economic activity. Millions and millions of jobs are affected by it through exports of manufactured goods from Ontario or oil sales from Alberta.

One of my favourite industries in the province of Manitoba is the hog industry. The hog industry has grown considerably over the last number of years in the province of Manitoba. In fact, there are more pigs produced than there are people in the province of Manitoba. I could be corrected on this, but I believe that Manitoba is now producing in excess of three million pigs annually.

Manitobans are not the ones who are consuming all of those pigs. The pork industry is very dependent on exports and those types of exports need to be encouraged. If we go down the chain, there are a lot of jobs. Whether it is the producer, the slaughterhouse or the retailer, it generates a lot of jobs.

Freer trade can be a wonderful thing. I would suggest that we approach it with an open mind, that we be sensitive to the issues of labour and our environment and that we try to tie those into the agreement, because we are all better off if we do that, but I do not think we need to live in fear. If we lived in fear of freer trade, Canada would not be where it is today. We need that trade.

● (1550)

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I listened carefully to the member's comments. At one point he said that he would not care if the Conservative government would learn some lessons from the Liberals in terms of travelling abroad with its provincial partners and so on.

He also indicated that we are falling behind in our trade efforts. It appeared from his remarks that he might be unaware that our government has initiated talks with the EU and with India as it relates to free trade. We have also completed a number of free trade agreements. We completed one with Colombia. We are currently working on the Panama one, as we know, and there is one with Jordan.

If we look at the Liberals' 13 years of inaction on this file, when over 13 years they only signed three trade agreements, I am having difficulty understanding how he could suggest we are falling behind. How could we possibly be more aggressive? We are signing these agreements. Those in the business community are thrilled with the opportunities we are creating for them. I would like him to explain his position on that.

Mr. Kevin Lamoureux: Mr. Speaker, quite simply, I would look at the bottom line. The bottom line is that we actually have a trade deficit for the first time in 30 years, from what I understand. There has been some movement on the file. It would be totally irresponsible of the government to completely ignore the world. However, there is so much more we could be doing and that we should be doing.

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I use the team Canada concept as an example. That is something I believe the government needs to act upon. We need to work with the provinces and the different stakeholders, both government and private sector, in appealing to the nations of the world. I acknowledge the government has done some work in India, but we could do so much more. We could do much more in Asia, for example, in Malaysia, the Philippines and Taiwan. There are many other countries where we could be doing so much more.

I look at the bottom line. There is a trading deficit and there is so much more we could be doing in approaching other countries. The Government of Canada should be playing the lead role in doing just that.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, does the member think it is a bit odd that a federal government, the Conservative government, that proclaims itself to be tough on crime is signing free trade deals with countries like Panama that are on the OECD blacklist, on France's blacklist? According to the United States state department, Panama has over 350,000 foreign registered companies. It is definitely a tax haven involved in money laundering activities. It is a conduit for Mexican and Colombian drug traffickers.

Essentially, what is happening is the Conservatives are promoting this with the help of the Liberals. The member is actually aiding and abetting a government that purports to be tough on crime but is actively looking for trade opportunities with drug traffickers and money launderers.

How does he square that support?

Mr. Kevin Lamoureux: Mr. Speaker, some of the problems the member for Elmwood—Transcona makes reference to can be found in the United States and we are not going to abandon trade with the United States. All countries have issues and do have some problems.

We can look at it from a positive point of view too in the sense that Panama is a part of the World Trade Organization. We have seen the expansion of the canal. There is great potential in Panama. I do not believe we should give up on countries because of some of the issues they have and are trying to deal with, or that we should pass judgment absolutely. At the end of the day, I think that Panama has proven itself to be of a stable nature and a country that is moving forward. I understand that its GDP even grew during the time of the recession. It has its tourism, shrimp and banana industries. There has been a lot of positive things happening in Panama too.

We need to respect the fact that it could be better and we do have some concerns, but it is important that we move forward.

• (1555)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, it is an opportune time for me to make my presentation on this bill because I was about to ask the member for Winnipeg North a follow-up question.

He said that we do not abrogate our trade agreements with the United States or other countries that might have questionable practices that we do not approve of. My retort to him would be that the United States is not signing this agreement either. In fact, no fewer than 54 United States congressmen have demanded that President Obama forgo the agreement with Panama until Panama has

signed the tax information exchange treaties. That is how to get things done. We get tough with these countries. We refuse to sign free trade deals with them until they sign those tax information exchange treaties. That is my point.

France was able to get tough with Panama 12 months ago. France refused to accept the status quo. France got tough with Panama, and Panama with cap in hand immediately signed an agreement with France. Just so the member knows, in France, dividends, service fees, royalties and interest paid by French entities to a beneficiary in a blacklisted country, which is Panama and others, will be faced with a 50% tax. Gains from real estate and securities transactions will be subject to the same levy. Also, France's 95% tax exemption on dividends issued by a subsidiary to its French-based parent company will be removed if the subsidiary resides in any blacklisted jurisdiction. Guess what. There was immediate action. The companies themselves started putting pressure on the French government and it responded.

Just so the members knows, of the blacklisted countries we are dealing with now, the list is getting smaller and smaller. Ever since the OECD compiled the list some 10 years ago and France came up with its blacklist, the list of countries has been getting smaller. We can see that the process can work and does work if we want to put pressure on them.

I will give the member another example. Switzerland has been a famous tax haven for many years. Many Canadians have been involved in Switzerland. It was not until the Obama administration started to put pressure on Switzerland two years ago on the basis of the terrorism argument that Switzerland started to become compliant and gave out information. If we take away the terrorism case and if we take away the fact that it was a powerhouse country like the United States that put pressure on Switzerland, Switzerland would still be thumbing its nose and refusing to give out information.

In addition, two employees, one of a Swiss bank, sold their computer records to the German government. Canada was a beneficiary of some of that because the Germans gave us a list of about 100 Canadians, who have since declared their participation in this tax shelter. I believe that is how the information came out about the Mulroney situation that was before the House not too long ago.

Exactly the same phenomenon occurred with a bank in Liechtenstein in the last two years. An employee of the bank made off with the tax records and went to France. The authorities pursued the person and tried to recover the disks. The person turned the disks over to the authorities and the authorities went after the bank.

• (1600)

We now have another big group of several hundred names that was reported a few months ago. In fact, there are more people in that second group from Canada than from the United States. Progress is being made. These things can get resolved.

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Canada now has this amnesty program rather than try to charge back taxes. It is crazy. If the hon. member, or any of us in the House, were chased for taxes, we would be hit up with penalties. We may even get time in jail for avoiding taxes. However, anybody who has been hiding their money in these tax shelters, the revenue department has an amnesty program. People just have to sit tight and wait until they are caught. The department will give a period of time, perhaps a month or two, for them to voluntarily declare what is being hidden.

That is what happened with the people in B.C. There were 100 people who walked into Revenue Canada and confessed. Their names had already been given to Revenue Canada so there was little investigation to do. They paid their taxes and they were scott free. I guess they were not supposed to do it anymore. With this latest group, the same principle applies.

Where is the big stick? Where is the initiative of the government? As much as it talks about getting tough on crime, it is all talk, especially when it comes to situations like this.

I think the member clearly understands that and would support it. That is why 54 United States congressmen have refused to proceed with the agreement. The American agreement was signed by George Bush before he left office and it is going nowhere.

The Liberals might want to ask their trade critic, the member for Kings—Hants, who is heavily involved in these areas. He does a lot of globe-trotting to meet with politicians in Colombia, or wherever Canada is negotiating trade deals. We were on a trip together to the United States to meet with senators. They are not getting anywhere in the United States. This deal is dead in the states because of the country's reputation as a haven for money laundering and tax evasion.

Further, I am sure the member is aware of a company called AIG, a big insurance company. It was one that was bailed out when the economy collapsed in 2008. That company had a lot of nerve. It took billions of dollars of taxpayer money to be saved from collapse as it was argued they were too big to fail. The company was one of the 350,000 foreign registered companies doing business in Panama. Six months after it took all of this cash from the taxpayers of the United States, the executive gave themselves huge bonuses. About this time, the company filed a law suit against the United States government to recover taxes it felt it should get back on its investments in Panama. Talk about nerve.

That has riled up the members of Congress. I have a letter signed by Michael Michaud, member of Congress, and Walter B. Jones, member of Congress. This really has the Americans riled up and they will not allow this agreement to go through. Why is Canada putting this as a top priority and why are the Liberals supporting it?

• (1605)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I do not think there is anything wrong with Canada taking an action which goes against what the U.S. doing.

The United States has made a choice for whatever reason, and the member for Elmwood—Transcona does not know what those reasons are. He can speculate as to what those reasons are, but he does not know what the rationale is in terms of the U.S. not signing a trade agreement with Panama.

What I know is Panama has demonstrated stability over the last number of years, with the World Trade Organization, the doubling of the canal, different labour and environmental issues have been dealt with.

Canada has been afforded the opportunity to enter into a trade agreement. If that means some tractor companies in Winnipeg might be able to get a bit of an inroad now or some of our agriculture can get a bit of an inroad, I see that as a positive thing.

Does the member for Elmwood—Transcona believe that Canada can not go alone, or do we always have to go with the United States? Is that what the member would argue?

Mr. Jim Maloway: Mr. Speaker, the issue is whether we should sign trade deals with money launderers and drug dealers.

Does the member support money laundering and drug dealing? We are supposed to be cracking down on these activities. The government is supposed to be tough on crime. Where is the example of that? Why is the government not following through on their rhetoric? If the government was going to be tough on crime, it would ask the Panamanians to sign the tax agreements and then it would negotiate.

That is what is happening with the United States in this situation. The former president of Panama, Manuel Noriega, is doing time in a Florida jail. He was involved in money laundering and drug dealing. The Americans went in, seized him and put him in a Florida jail for many years to come. He has been there a long time. That is getting tough on crime.

Where are those guys and why is the member supporting them?

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, a lot of good points were made by my colleague. It is obvious he thoroughly researched the matter. He raises a lot of concerns about this agreement, which are not being responded to fully.

Within the context of how Canada holds itself out to the world, we hold ourselves out to believe in fair working standards, reasonable pay, protection of the environment, livable communities. It is a real stretch to entertain an agreement with a country such as Panama. My colleague has raised a number of critical points.

In her testimony before the committee, Dr. Teresa Healy, senior researcher for social economic policy department of the Canadian Labour Congress, pointed out a number of important issues, which I was not aware of before. One was this. In 2010 apparently President Martinelli announced unilateral changes to the labour laws. One of those changes ended environmental impact studies on projects deemed to be of social interest. He is even undermining basic environmental assessment which is internationally recognized.

How can we conceive of entering into an agreement that he will balance environment and the economy?

• (1610)

Mr. Jim Maloway: Mr. Speaker, that is a very good question.

There is trade, albeit limited trade, with Panama. Whether we sign an agreement, ratify the agreement or not, it will not stop trade.

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The member for Winnipeg North should recognize that. Trade will continue under the current conditions. The current high dollar is what is really determining the trade balance in this situation. As the dollar goes up, our exports will become more expensive and our imports will be cheaper. It is an issue of the dollar.

The member is absolutely right about the lack of trust in those governments with which we negotiate. They do not honour commitments they make in terms of labour or environmental rules. We have seen this over and over again. Once the agreement is signed, they start backtracking on these promises, if they even make the promises.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, I rise today in support of 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. The Liberal Party will be supporting the bill.

I would like to raise a couple of concerns about the government's lack of action on increasing U.S. protectionism and its failure to seize trade opportunities with India recently, China, South Korea and other countries. I will also raise concerns about the lack of a tax treaty.

Canada is now experiencing the first trade deficits it has seen in 30 years. Indeed, the country set a trade deficit record in July of \$2.7 billion. The government's priorities are concerning. Rather than pursue east-west bilateral or multilateral trade opportunities with growing economies such as India and China, the government is focused on trade agreements with smaller nations, representing a small fraction of our trade. It focuses on a misguided crime and justice agenda, which does little to stimulate the economy or to create jobs.

The Liberal Party supports the principle of free trade. Canada is a trade-dependent nation. Eighty per cent of its economy depends on access to foreign markets for Canadian exports. Liberals support initiatives that create jobs and improve market access for Canadian businesses.

In 2008 Panama had one of the highest real GDP growth rates in the Americas at almost 11%. Despite the global economic downturn, Panama posted a positive growth in 2009 at 2.4%, a trend that is expected to continue throughout 2010 and 2011.

The expansion of the Panama Canal is currently under way and is slated to be completed by 2014 at a projected cost of \$5.3 billion. The expansion is expected to generate opportunities for Canadian companies in such areas as infrastructure and construction, as well as the environment and heavy engineering, consulting services, capital projects, human capital development and construction materials.

Like the Canada-Chile and Canada-Costa Rica free trade agreements, the North American Free Trade Agreement and the free trade agreement with Jordan, the Canada-Panama free trade agreement would include side agreements on labour co-operation and the environment.

The Canada-Panama labour co-operation agreement recognizes the obligations of both countries under the International Labour

Organization's Declaration on Fundamental Principles and Rights at Work, which requires both countries to ensure that laws, regulations and national practices protect the following rights: the right to freedom of association; the right to collective bargaining; the abolition of child labour; the elimination of forced labour; and the elimination of discrimination.

The Canada-Panama labour co-operation agreement and the agreement on the environment would include complaints and dispute resolution processes that would enable members of the public to request an investigation into the perceived failures of Canada or Panama to comply with these agreements.

Yes, Panama is a relatively small economy, as I mentioned. In 2009 Canada exported only \$90 million of goods to that country. Yet it is a relatively stable country that has made significant progress in recent years in terms of development and democracy, which Canada is well-placed to continue to encourage.

In spite of the global economic downturn, Panama's GDP grew at almost 11% in 2008, one of the highest in the Americas, and is forecast at almost 6% in 2010. In 2009 bilateral trade between the two countries totalled \$132 million, Canadian exports making up \$91 million of that and imports \$40.7 million.

Primary Canadian exports to Panama include machinery, vehicles, electronic equipment, pharmaceutical equipment and frozen potato products. Canadian service exports include financial services, engineering, information and communication technology services. Merchandise imports from Panama include precious stones and metals, mainly gold, fruits, such as bananas, nuts, fish and other seafood products.

The existing Panama Canal, vital for the international trading system, is undergoing a massive expansion, with completion slated for 2014. The \$5.3 billion expansion is already generating business opportunities for Canadian companies. Canada will immediately eliminate over 99% of its tariffs on current imports from Panama should this proceed.

• (1615)

The free trade agreement also addresses non-tariff barriers by adopting measures to ensure non-discriminatory treatment of imported goods and promoting good regulatory practices, transparency and the use of international standards.

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On the matter of a tax agreement, my party has some concerns that nothing has been undertaken. The concerns reflect the lack of a tax treaty. Neither a DTA, which is a double taxation agreement, or a TIEA, a tax information exchange agreement, has been signed with Panama. However, the Liberal Party will support this bill on the basis that a tax agreement will ultimately be achieved between our two countries. We will not put the benefits of free trade on hold while we wait for either a DTA or a TIEA. We believe a delay would take away the clear competitive advantage that a free trade deal would give Canadian businesses and farmers given the lack of free trade that currently exists between Panama and the United States.

At this point I wish to highlight some real concerns about the Conservative government's approach to international trade. We are losing the concept of free trade with our biggest trading partner to the south, the United States. When the recession hit, the U.S. government responded with protectionism in putting forth its buy American policies and tighter rules and regulations. The Conservative government initially stood by watching as if it did not know what had hit it. It engaged in photo ops in Washington, not realizing that the battle needed to be fought across all states at the state level.

By the time a so-called exemption was worked out, which itself required significant concessions by Canadian provinces, the protectionism in the United States had already hurt Canadian businesses, costing real Canadian jobs. The exemption only covered 37 states, a great example of how it is not just Washington that must be engaged.

Despite our vociferous efforts to get the Conservative government to engage much more forcefully at the state level, the government did not seem to understand either the whats of the negative effects on Canadian business or the hows of fixing the problem, and here we are again. The United States is threatening more protectionist legislation with its foreign manufacturers legal accountability act, which, although not technically aimed at Canada, would significantly hurt many Canadian businesses and affect many Canadian jobs.

I also want to use this opportunity in the debate on the merits of free trade to encourage the government to do much more in its dealings with China, South Korea and others. I acknowledge the announcement and production of the report last week between Canada and India, and I am encouraged that this is moving in the right direction.

I urge the government to capitalize on the extraordinary growth and scale that presents such fantastic opportunities for so many Canadians here and around the world, an economy that is growing at an incredible rate.

There are incredible investment opportunities being made in infrastructure, water, sewage treatment and public transit. We have been told repeatedly by the Chinese people that they are looking for green technology, for forestry products and for investments in the financial services industries. There are tremendous opportunities for trade in educational services, in co-operation and engagement not just at the Canada-China level but provincially and municipally as well.

We in the Liberal Party have stressed and will continue to stress the importance of Canada in the world. In support of this, we have proposed the concept of global networks. We say that the older, simpler concept of trade and commerce on its own, of simple export and import of goods and services, should be expanded to include all kinds of engagement on all levels, such as education, culture and environmental co-operation, a much greater engagement, a much broader engagement and exchange of people and ideas.

I look forward to this bill moving along as quickly as possible while formalizing a solidified tax treaty. In doing so, I intend to give my full support to the bill and I urge all hon. members to do the same.

• (1620)

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, I wonder if my hon. colleague is aware that in four short years our Conservative government has signed new free trade agreements with Colombia, Peru, Jordan, Panama and the European Free Trade Association states of Iceland, Norway, Switzerland and Lichtenstein.

Our government continues to work to open doors around the world so that our producers, our job creators, can continue to exploit export markets and trade from one end of this continent to the other, as well as across the seas in Europe and Asia. We are doing everything we can to ensure we open up markets for our producers.

Mrs. Bonnie Crombie: I am aware of that, Mr. Speaker.

However, the fact is that the government spent the first three years with the Prime Minister being churlish with China and ignorant of India. The government has had four trade ministers in five years, denying any of them any real opportunity to build important and sustainable relations with other ministers in other countries, trade relations, foreign relations or simply relations between people. Changing trade ministers almost every year is not good for policy or for defending Canadian interests abroad.

The fact is that a Liberal government would take a different approach. We would focus on the global network strategy that I talked about in my speech. We would work in partnership with business, universities, civil society and private citizens in order to better leverage Canadian relations with the world. We would harness our multicultural communities as a natural bridge to the fastest growing economies in the world, the economies of India and of China, which the Conservatives have so neglected over the years, and other growing economies. We would return to the very successful team Canada mission approaches focusing on several sectors where we have had a comparative advantage, areas like education and clean energy technologies.

A Liberal government would clean up the fiscal mess that the borrow and spend Conservatives have got us into.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is important to understand that this issue is not black and white. That there are things to do, but that a trade agreement is a positive development for agriculture and agri-food and other sectors, plus the expansion of the Panama Canal.

Government Orders

There have been some concerns and a lot of those concerns, quite frankly, are a consequence of the inaction of the government not having a plan to deal with the tax issues and not having a plan to broaden its interests in, as the member referred to, China and India. In fact, it has damaged those interests and I think the member may have something to say about that.

Mrs. Bonnie Crombie: Mr. Speaker, I would like to comment on the advantages of this agreement and why we have chosen to support it.

We support the agreement for two reasons: first, it would provide significant improvements and opportunities for significant Canadian enterprises; and second, it would encourage Canadian jobs.

Many Canadian companies are already active in Panama, including AIMCo, the Bank of Nova Scotia, Borealis, Canaccord, Brookfield, Talisman, SNC-Lavalin and other engineering construction firms, and this would continue.

Many of the witnesses who came forward at committee stressed how Canada would have a comparative advantage in this agreement since the United States has not yet signed an agreement with Panama.

There would be significant advantages from a job creation standpoint and from a comparative advantage economic standpoint for Canada.

• (1625)

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I am pleased to rise here today to speak to 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.

I am pleased to do so because I have the sense that by participating in this debate, much as our party critic in this area did, one is really doing something positive, not only for the Quebec nation, but also for the Canadian nation. Indeed, some members of this House are taking a back door approach in order to sign a free trade agreement that will be extremely harmful to Panamanians, Canadians and Quebecers.

I would like to begin by saying that the Bloc Québécois will not support this implementation bill, and for a reason that is very important to us: Panama is a tax haven. Not only is it a tax haven, but it is on the OECD's grey list. Accordingly, it is a tax haven that does not co-operate with the OECD and does not sign the agreements set out by that organization.

Furthermore, Panama has seriously repressed its union movement. I would remind the House that in June 2010, the Panamanian government passed Law 30, which is considered to be very anti-union by the World Federation of Trade Unions and the International Labour Organization.

Of course, the government members will tell us that the president of Panama announced on August 5, 2010, that he plans to comply with all ILO conventions and remove the repressive aspects of the law. So far, however, no such action has been taken and we can only wonder what the real scope of the labour co-operation agreement

with Panama will be. In that regard, I would also like to point out that the other co-operation agreements we have signed, whether concerning the environment or labour rights, have never been very effective and have never produced anything beyond meetings and symposiums. They have never led to any corrective measures when it comes to labour rights. Therefore, that is our second reason for opposing this free trade agreement.

I would also like to add that the Bloc Québécois is not completely inflexible on this issue. In 1994, the Bloc Québécois, who had been in the House for one year, supported the North American Free Trade Agreement, although, at that time, the Bloc was unaware of the magnitude of the effect that chapter 11 would have on the protection of American and Mexican investments in Canada. Clearly, this chapter also applies to the protection of Canadian investments in the United States and Mexico.

The fact remains that we supported this agreement at the time. We also supported free trade agreements with northern European countries. A Conservative member mentioned it earlier. We have absolutely no problem with this.

We are following with great interest the negotiations for an agreement with the European Union, despite the fact that we have some concerns, we are waiting for explanations and we would like to see the documents. I would like to remind the members of the House that the unions have been asking for these documents. As parliamentarians, we should have them, as has been the case in the past. Surely, the members remember how, several weeks before the Summit of the Americas in Quebec City, the governments that were negotiating agreements around the free trade area of the Americas made their negotiation documents available. That is certainly not the case with Panama and the European Union. However, we must still give the government the benefit of the doubt. Quebec and the Bloc Québécois are among those who have been promoting a free trade agreement with Europe for an extremely long time already, at least a decade. We hope that such an agreement will yield positive results for Canada, Quebec and the European Union.

Once again, in certain cases, we do not support the signing of trade agreements with countries that do not abide by a certain number of rules. Such is the case with Panama and Colombia. It is absolutely unbelievable that the Canadian government would be so irresponsible as to want to sign an agreement with Colombia, knowing full well that human and labour rights are violated there on a consistent and repeated basis.

• (1630)

It is evident that what is important is to have a position based on principles. Yes, we support opening borders, but we also support complying with major international agreements on human rights, labour rights, environmental rights as well as cultural diversity, which is extremely important.

Government Orders

In the case of Panama, the situation is even more serious and, in my opinion, this has not received sufficient attention in this debate. An article appeared in *Le Devoir* on January 10, 2011, entitled “The Canada-Panama Free Trade Agreement—Cozying up to the Drug Trafficking Paradise”. It was written by Alain Deneault, the author of *Offshore, paradis fiscaux et souveraineté criminelle*, and Claude Vaillancourt, who is the co-president of ATTAC-Québec. Not only is Panama a tax haven that does not co-operate, even by OECD standards, but it is a tax haven that makes life easier for drug traffickers. And that is the kind of bill promoted by the Conservative government. It says it is tough on crime. It is tough on petty criminals, but it is the friend of big-time criminals and we have the proof: the Panama free trade agreement it is trying to make us accept.

I would like to read a paragraph from this article in the January 10, 2011 issue of *Le Devoir*.

Panama certainly deserves its bad reputation. This country's main economic activity is providing financial services to drug traffickers and multinationals. It has specialized, among other things, in discount flags of convenience, without any bureaucratic red tape. This allows vessels to sail without worrying about domestic laws and sailors' working conditions.

Capital enters and leaves Panama without any restrictions. Transactions are protected by banking secrecy rules, and there is no monitoring of financial activity. The Organization for Economic Co-operation and Development (OECD), which is nevertheless fairly accommodating when it comes to evaluating how co-operative tax havens are, has placed Panama on its “grey list”.

Panama is a tax haven, and one that makes life easy for drug traffickers and money launderers. We are talking about organized crime, the mafia and other criminal groups or organizations. This will have disastrous effects on Panama. It will allow organized crime groups from Canada to launder their money in Panama. It will also allow some organizations that are currently located in Panama to benefit from the rules in the free trade agreement and locate here, in Canada and Quebec.

I remind members that the OECD has come up with four criteria to determine whether a country is a tax haven. The first is whether the jurisdiction imposes no or only nominal taxes. For example, I remember the case of Barbados—I believe—where the tax rate is regressive instead of progressive. The higher the profits, the lower the tax rate. They start with the wonderful rate of 3% and go right down to the alarming rate of 1%. Since Canada has signed a double taxation treaty with Barbados, if a Canadian company operating in Barbados meets a certain number of administrative criteria and has paid that wonderful tax rate of 1% on its profits, it is able to repatriate money to Canada tax free. That was the first criterion.

The second criterion is a lack of transparency. I have already said that Panama fits the bill. The third criterion is whether there are laws or administrative practices with respect to the exchange of information. Panama has refused to sign the 12 bilateral agreements to meet the OECD standards. The fourth criterion is whether there is any indication that the country is attracting investments solely for tax purposes and not for the purposes of economic activity.

Panama fits that definition of a tax haven. As I mentioned, since it has refused to sign the 12 agreements, it is currently on the grey list. So before we implement this agreement, we must be certain that Canada has signed a tax treaty with Panama and that Panama meets the OECD criteria. Otherwise we would simply be an accomplice to international organized crime.

• (1635)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member's input into this bill, a trade deal with Panama, has been straightforward and thoughtful.

As I understand his reasoning, he is very concerned about human rights abuses and also disrespect for union principles. The rest of the stuff seems to be okay, though.

I would ask the member if he believes we should not be doing business with countries that do not respect a collective bargaining position and do not respect human rights. I wonder how he squares that with doing business with China.

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, internationally, Canada has a responsibility to uphold major international conventions. And it should start by signing the seven fundamental conventions of the International Labour Organization.

There is a big difference between doing business with the entire planet—including countries that do not respect workers' rights—and having free trade agreements that favour trade relations between countries. There will be a number of debates about the possibility of a free trade agreement between Canada and APEC because certain member countries pose a problem. I want to make a distinction. I am not saying that we should not trade with China, Panama or even Colombia, but there is a big difference between trading and favouring these countries by signing trade agreements, such as free trade agreements, with them.

There is another reason. The Bloc favours a multilateral approach within the framework of the World Trade Organization as opposed to bilateral, piecemeal agreements that are directed at the weak, in essence, using the countryside to surround the cities, as Mao Zedong said. That is what Canada is doing with the United States.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, a number of South American countries are refusing to negotiate with Canada because of its free trade model. Does my colleague agree with that? Can he explain why these countries are not prepared to negotiate with us?

Mr. Pierre Paquette: Mr. Speaker, I want to thank the hon. member for his question because it allows me to make another point I have not had time to mention.

Government Orders

One of the big negotiation problems Canada is running into with the South American countries is that it is trying to impose chapter 11 of the North American Free Trade Agreement, which gives multinational companies and corporations state status, thereby allowing them to sue another state before a special tribunal. Proceedings are under way. Canada had to pay \$300 million for decisions Newfoundland made with regard to a forestry company whose name I forget, because it wanted to avoid going before the special tribunal under chapter 11.

In the free trade agreement between Canada and Panama, chapter 11 is chapter 9. When did this chapter 11 come to be? It did not exist in the North American Free Trade Agreement or on the international level. It appeared when the United States and Canada entered into negotiations with Mexico. Since we did not trust the Mexicans—we being Canada and the United States, not me—a chapter was included allowing Canadian and American businesses to challenge the laws and regulations of the municipalities, provinces and countries involved. These countries were targeted. That is why a large number of Latin American countries refuse to negotiate with Canada. They do not want to negotiate with the United States either because they know full well that the scales are tipped in favour of big business against national governments and national sovereignty.

[*English*]

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I appreciate being allowed a few minutes to speak in this debate.

In principle, I am going to support this agreement. I am going to talk about one issue which I think the House and the international trade committee should not lose sight of as this discussion goes forward.

A number of members have talked about the importance of trade to our economy. This is very true. It goes right back to our country's founding when our economy was based on the trade in lumber and fur. It has not stopped. Eighty per cent of our gross domestic product relates to trade.

In the last couple of years, there has been a lot more bilateral trade agreements entered into mainly with smaller countries, and mainly as a result of the near death of the WTO Doha round, which does not seem to be going anywhere very fast. It comes right down to the law of comparative advantage. Canada is a large country. It has a large geography and many natural resources. It benefits us to trade not only with the United States, our closest and most important neighbour, but with other countries around the world, such as Panama.

We cannot lose sight of the other side of the equation. Many countries of the world, such as Panama, are what we call developing countries. Through the law of comparative advantage, they also benefit from trade. Bilateral trade lifts both countries.

Our trade with Panama is more symbolic than anything. It is very insignificant. I believe there is \$90 million of mostly manufactured Canadian products going from Canada to Panama. In return we import about \$30 million of products, mainly nuts and tropical fruits that are generally not grown in Canada. Really there is no sector that will be advantaged that much, and likewise there is no sector that will be disadvantaged through the Canada–Panama free trade agreement.

We had the same debate on the agreement with Colombia. Anytime we get into these debates we are not dealing with perfect situations. There are always going to be issues with these countries. A lot of these countries have very troubling and difficult histories. Some have made tremendous improvements over the last number of years, while others have made slight improvements. We cannot ignore that. We have to keep pushing, nudging and urging those countries to improve their human rights issues, to improve their environmental laws and regulations, and of course to improve their tax issues also.

There are some opportunities in this agreement with Panama. One that has been mentioned by previous speakers is the expansion of the Panama Canal. It is a \$5.2 billion project. Canada has many engineering and construction companies that are well suited for this type of development and hopefully they will benefit from closer relationships with the country of Panama.

We are not dealing with a perfect situation, but I have reviewed the labour co-operation agreement. It is an agreement signed by Panama in which it agrees to respect the right of freedom of association, the right to collective bargaining, the abolition of child labour, elimination of forced work, and the elimination of discrimination.

I am not naive. I know that if we went to Panama today we would find abuses. We would find imperfect and problematic situations. However, from everything I have heard and read, I believe there have been significant steps made in the right direction. We see the same thing with some of the environmental issues.

● (1640)

It comes down to what comes first, the chicken or the egg. Do we wait until the country has a perfect record, perfect environmental regulations, no allegations of any labour code abuses and no allegations of human rights abuses, or do we wait until there is very significant development, put in place the framework for further improvement and allow the country to improve its economy with a free trade agreement with a developed country?

Those are the reasons I support the agreement going to committee for further study and review.

One issue that concerns me, which I will talk about for a few minutes, is the whole issue of tax havens and tax information. I would like us to move closer to an agreement, whether it is a double taxation or a tax information exchange agreement. There have been proposals from Panama to Canada and vice versa. It has not been finalized yet and hopefully this issue will be finalized shortly.

I am going to spend a minute or two talking about that issue because I feel strongly about it. We can talk about Panama, the Cayman Islands and Liechtenstein, but we should be talking about what is going on right here in Canada. We are basically not doing anything about tax evaders.

Government Orders

As a previous speaker alluded to, we have had two very serious situations recently. There have been 1,700 Liechtenstein accounts and 160 Swiss accounts. The names, account numbers and amounts are all clearly on the record. CRA officials know about it. They are all residents of Canada. They were given 30 days to walk into the nearest CRA office and declare amnesty. Are they fined? No. Are they charged? No. They might have to pay a small penalty, a bit of back interest or a bit of back taxes, but that is all that happens. To my way of thinking, that is a fundamental travesty of justice.

Let us say two kids went out last night, broke into a service station and stole a carton of cigarettes. Tonight they will be in jail and perhaps they should be in jail. But if a person puts \$5 million in a Swiss bank account and leaves it there for 20 years, he is defrauding the Canadian taxpayers of probably \$200,000, \$300,000 or \$400,000 each and every year. If the person is caught, what happens? He or she gets total absolute amnesty.

The person would then transfer the money to another haven, wherever it is around the world, because he or she has nothing to lose. If the individual is caught again, what does he or she do? Within 30 days the person would go in to the nearest CRA office, declare amnesty and the whole thing occurs over and over again.

The point I am trying to make is that Canada should be very aggressive. The people who are caught doing this should be charged, convicted and, if convicted, they should be jailed. I want to talk about tax havens, but I realize I am off topic.

In principle, this agreement should be signed. I know there is a tax issue. The whole tax issue should be worked on and I believe it will be finalized in due course.

• (1645)

[Translation]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I listened to the presentation made by the Liberal member, who mentioned that he will vote in favour of the agreement presented by the government. I did not really understand what could possibly motivate him to support this bill. He said that human and labour rights are violated in Panama and that Panama is recognized as a tax haven on the OECD's grey list. An information exchange agreement is not even included in the main agreement. Only businesses will benefit from this agreement. Canadians will not derive any benefit from it, and the signing of such an agreement will also tarnish their country's reputation.

Does the hon. member see some advantage in supporting Bill C-46?

• (1650)

[English]

Hon. Shawn Murphy: Mr. Speaker, on the issue of the labour agreement, I said that I am not naive enough to state in the House that everything is perfect, but Panama and Canada have entered into a labour agreement. It basically protects a number of issues. It is well-written. If the countries do not follow the agreement, further action will be taken. Also an environmental agreement has been signed and that again will push the envelope that much further.

From reading the background material, we are looking at a country that is moving forward. It has what I consider to be a

significant gross domestic product increase every year. The country is in the process of modernizing. It is strategically located. I am not going to suggest that everything is perfect, but it is moving in the right direction. This agreement will be beneficial for Canada and for the people living in Panama.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I understand the member is not running in the next election, so I want to wish him well. I have had many good times with him in the public accounts meetings when I was a provincial member and he was the long-time chair of the Standing Committee on Public Accounts.

The member explained quite well the problems with tax evasion and money laundering. I disagree with his assessment that we should be signing and implementing a free trade deal when we should be doing what France did a year ago, that is, get tough with Panama. When France started taxing corporations doing business in Panama, the Panamanians simply signed the tax treaties that the French wanted.

We are not going to get anywhere if we simply sign agreements without getting tax treaties signed first. That is the point. The member was on the right track and he had great arguments, but he should vote against this deal until those tax treaties are signed.

Hon. Shawn Murphy: Mr. Speaker, we probably both have similar views in certain situations, but we have come to a different conclusion as to whether the glass is half full or the glass is half empty. I do not believe we should hold up the trade agreement. I have read everything I could get my hands on. There have been many good and positive steps made on the tax treaty. Canada has given proposals. We received proposals back from Panama and I think it will be concluded.

The point I want to leave the House with is it is not what goes on in Panama, it is what goes on in this country regarding tax havens. If we took a dozen of the people who had large accounts in Switzerland and took the information that is readily available on the Internet, WikiLeaks, or wherever, and charged them instead of giving them amnesty, convicted them and put them in jail for five or six years, the whole issue of tax havens would disappear pretty quickly.

[Translation]

The Acting Speaker (Mr. Barry Devolin): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Davenport, Employment Insurance; the hon. member for Winnipeg North, Public Safety; the hon. member for Madawaska—Restigouche, Government Priorities.

• (1655)

[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, we are at report stage of this bill. My colleague has moved a series of amendments at this stage which, although they are only a small part of the overall bill, would have the effect of destroying the bill by deleting some key clauses in the bill.

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It is quite appropriate that the House should support those amendments for the deletion of those provisions. This is another in a series, the Colombia free trade deal being the most egregious example, of bilateral trade agreements that we have entered into that are not in the interests of Canada. In many cases they are downright exploitive of the country that we negotiate them with.

If we analyze trading arrangements, the ones that are the fairest, as opposed to the nomenclature of being freest, are clearly the ones that are done at the multilateral level rather than the bilateral level. With a few notable exceptions, Canada is in a position with a country like Panama. We dominate it. We have heard figures that trading is relatively modest between the two countries by international standards, but it is much more to our advantage.

In this kind of relationship the smaller, weaker party is at a distinct disadvantage once the agreement goes into play. That is particularly true when one understands the history of this model of trading agreements. We accord what in effect is state status to very large multinational corporations under the NAFTA agreement. We have seen very clear examples where we have been the negative beneficiary of the clause that gives them that status and the right to sue national governments, in effect being on par with them.

A classic example where we were the negative beneficiary was the one involving a chemical substance that Canada wanted to ban and did so. Part of the refining process for this substance was in Sarnia near my community. We ended up paying something like \$13 million or \$18 million to a multinational corporation, without even fighting it. The Liberals at that time just caved, which they are really good at.

The one that really bothers me is when Mexico was at the receiving end of this type of a lawsuit. A multinational corporation based in the U.S. was moving toxic materials into a very poor community in Mexico. The national government simply did not have the financial wherewithal to fight the suit and ended up having a judgment awarded against it for many millions of dollars. I think it was \$20 million to \$30 million U.S. which it had absolutely no ability to pay.

We see those kinds of abusive processes and it is why there are many countries in Central America and South America that will not enter into negotiations with Canada on those kinds of bilateral agreements because of that clause and because in a number of cases we are the dominant partner.

• (1700)

It is not good for our international reputation if we enter into these agreements with these kinds of countries. That is particularly so, as we saw with Colombia and its history of abuse of human rights, but it is also true with Panama.

We have heard repeatedly today, and it is conceded by all sides, it is a tax haven and a centre for money laundering and organized crime. Some 400,000 corporations are registered by the Panamanian government, hundreds of times probably out of proportion to the normal economic activity that many corporations would represent. They are all shell companies and a good number of them are used to launder money through organized crime syndicates. Others are there purely to avoid their tax responsibilities in their domestic countries.

That is the kind of country and government, maybe government more so than country, because I do not want to disparage the people of Panama, with which the Conservative government is entering into the agreement. The end result, when we enter into an agreement with like this with a country with those types of practices, we are condoning those practices.

It is really interesting that the Conservative government is doing this, the so-called tough on crime government. I have oftentimes very great doubts about whether the Conservatives would know anything about fighting crime, how to get at it, but we know, any of us who have studied it to any degree, and they should know, that if we are to get at organized crime, we get at the dollars.

By allowing Panama to continue to be a tax haven that inspires those corporations to register there, it also makes it very easy for it to launder money through there. By doing that, the drug trafficking and human trafficking that goes on within those organized crime syndicates, Panama clearly is assisting them in their operations and we in effect are condoning it when we sign on to this kind of agreement.

It is a very good reason why we should not be signing this. In addition to that, there are others. I want to deal with one in particular around setting standards.

If I have time, I will go to the environment, but I want to deal with labour standards. I must admit I was somewhat taken aback by the last speaker when he said that the Panamanian government was making progress. I am dealing now with labour standards, because this agreement, if it is processed to its final stage and is signed and ratified by both countries, does not have any meaningful provisions in it that would ensure workers in Panama would have even minimal standards of job protection, health and safety standards and environmental standards.

In 2010 there was some perception by the president of Panama that somehow the Panamanians were not friendly enough, and it is really hard to imagine this is the case, to the corporate world. Therefore, they passed a law in the summer of 2010 which eliminated environmental impact studies on projects deemed to be of social interest. That would be infrastructure programs, I assume, in many cases.

Then they went on and made it illegal to have mandatory dues collections for collective bargaining arrangements. People cannot do that in Panama, something on which my community led the way, back after the second world war. The ban formerly came out of Windsor in 1945, so now it is illegal to do that in Panama.

• (1705)

It allowed employers to fire striking workers when they were in the course of a legal strike. It criminalized street blockades, civil protests. It also protected police from prosecution when they abused workers in a strike-breaking situation.

That is the kind of country that we are going to be signing on to, and it is beyond the pale that we would be doing so.

Government Orders

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I listened with interest to my hon. colleague's remarks and I heard him talk about what this agreement would mean to Panama.

It is my understanding that as a Canadian parliamentarian my primary duty is to represent Canadians. I appreciate the hon. member's concern for human rights, which we all share, but here is the difficulty I have with his argument and I would like him to address it.

Panama is a democratic country. It is not a dictatorship. The government was democratically elected. If the democratically elected representatives of the people of Panama believe this is a good deal for Panama, why should Canadian parliamentarians be opposed to it on the basis of the argument that it is bad for Panama? Panamanian representatives support it for Panama. Canadian representatives support it because it is good for Canada. Why should we interfere in their democratic process?

Mr. Joe Comartin: Mr. Speaker, there are two answers to that, one a general one.

It is in the interests of Canada to protect our reputation at the international level, but the government has done a great deal of damage to that. That includes our relationship with countries that are quite prepared to abuse human rights. Every parliamentarian has the responsibility to protect Canada's reputation in that regard. That is the general answer.

With respect to his claims around Panama's democracy, we could have some strong arguments about that if we actually studied the country and in particular when we think of people like Noriega. I do not think that was a democratic government. Things have not changed a lot since then.

My colleague's real question was whether that government was a vibrant representative democracy. Even if we concede that it is, and I am not, it still comes back to our responsibility to uphold human rights, including the right to organize collectively and the right of a worker to have a safe working place and in the environmental field to have a safe environment for the community as well. We have a responsibility to be involved in that when we enter into these kinds of agreements.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, the hon. member knows I have the utmost respect for his thoughtfulness both in this chamber and outside and his legal analysis. He elevates the quality of debate in the House.

The hon. member will also know that his party and our party pushed for a bill on corporate social responsibility and ultimately it lost, which was quite regrettable in my opinion.

The hon. member and I probably also would agree that the side agreements on labour co-operation and the environment, et cetera are not as strong as one would like, but maybe as good as one is going to get.

Is the issue of corporate social responsibility, and that is the ability of an indigenous person to sue a Canadian corporation operating in Panama, advanced by this treaty or is it affected at all?

Mr. Joe Comartin: Mr. Speaker, there is a practical answer to that question. I do not see it being advanced because of the inability of individuals in Panama to use that.

It comes down though to the basic model. There is the Mercosur trading arrangement in South America in which maybe eight countries take part. I have had various discussions over the years with people from some of those countries who have told me there is a whole different model and the one in the European Union is the one they would prefer to enter into. It would be multilateral and resources would flow from the centre to new countries coming into the agreement. That would be a major plus.

When we were having multilateral discussions with South America, there was some discussion about there being some financial incentives from the wealthy countries to build the infrastructure and move technology into the country so it could advance. However, those discussions were broken off. That is the kind of model that we should be looking at and doing it at a multilateral level.

• (1710)

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am pleased to speak on this issue once again.

I am a member of the international trade committee. This bill has been before the House. We have had an opportunity to listen to stakeholders. At the end, we concluded that this was a good agreement for Canada and was one that we should pursue. That is why I will be speaking in support of this bill.

Given that Canada is a trading nation, I believe it is in our interest to do so. We have launched a series of trade agreements with a variety of countries that have been very successful for many businesses in Canada.

We recognize that Panama, compared to the giants of Latin America, is a small player, but this is a strategic place and partner that has great potential for the future. There are important opportunities there for growth between the north and south. The Panama Canal is a gateway that will undergo a massive expansion and could be an opportunity for Canadian businesses. We hope, through this initiative, dialogue and agreements, that there will be business opportunities between both countries. There would be different projects going on underground on which hopefully businesses could bid successfully. We have this opportunity.

As I said, the trade is relatively small, at about \$100 million, but it has potential to grow. As well, these are significant steps in relation to tying things up, country by country, in the Americas.

My hon. colleague spoke about Mercosur, which is a large bloc in South America that includes Brazil, the dominant player there, Argentina and other regional players such as Uruguay, Paraguay and now Venezuela. It is a market that we have to get into. This is a market that we would eventually have a trade agreement with, similar to the agreement we are in the process of with the European Union. It is a complex process, but one that is necessary to engage in because the European Union is an equally important bloc on which we have to concentrate.

Government Orders

As we all know, trade for Canada is predominantly with the U.S. at over 80%. We have to diversify the treaty relationships we have with other countries around the world. This offers us an opportunity. Strategically it makes sense, given the major projects in the canal as well as the strategic importance of Panama.

Panama has made some strides over the years. It went through a very difficult time during the Noriega regime and afterwards. The 1980s was a difficult period, but it has made a transformative presence on the world stage. It is a stable democracy. It is a major player in the Organization of American States, of which Canada is a player, and this is a very positive thing. It is a country that has been providing stability for the region. Panama is a player that we want to engage bilaterally and through this agreement.

It is important to note that this agreement has very important side agreements on issues of labour and the environment. On the labour issue, my colleague spoke of corporate social responsibility, which I feel strongly about, and that needs to be done. In some ways this elevates the discussion and brings the focus not just on trade agreements, but labour rights and human rights issues, as they are equally important. We did that with the Colombian free trade agreement. There was a very important agreement on a human rights review. That was an historical step in terms of a trade agreement.

• (1715)

Although we are not anywhere near where we want to be in terms of corporate social responsibility, we are beginning to realize that it cannot be ignored and it has to be addressed in our trade agreements, bilateral agreements and discussions. We want to make sure that Canadian businesses are conducting themselves ethically abroad. By and large, I think they are but Canada can play a major role as a leader for the rest of the world in the fields of human rights and corporate social responsibility. This has to be the issue for the future.

Getting back to the agreement, it covers such issues as the right to freedom of association and the right to collective bargaining, among other things. I am very supportive of such an agreement that recognizes that when entering arrangements like free trade agreements, labour rights must be protected and encouraged. This is a positive outcome of this particular agreement.

In terms of potential business for Canadian companies, the opportunities, although presently small, have considerable room for growth. Canadian business provides a wide range of products, including vehicles, pharmaceutical equipment and machinery, among other things, but the opportunity for growth exists. Certainly it exists in the financial sector. We have major players in the Americas, such as Scotiabank, which has been carrying the flag of Canada. It plays a major role in the financial sector throughout Latin America and, of course, it is a major player in Canada as well.

As for the services provided by Canadian companies in the financial, engineering and communications sectors, there can also be an opportunity for growth.

Some concerns have been raised about the free trade agreements. I know there have been issues raised in committee in relation to the banking regulations in place in Panama with regard to money laundering. This is a big issue and the government needs to take it very seriously. It is a challenge that other countries face when they

have tax-free havens, including some in Europe. This needs to be addressed.

The thrust of this agreement is one of economic support and solidarity between two countries that are important allies and provides stability in that region.

As I mentioned at the beginning of my remarks, Canada is a trading nation and responsible sound trade agreements are in the interest of Canada and are good for Canada. I think most Canadians would agree that we cannot act in isolation. This is the time for us to engage the world.

We are all aware that the discussions in Doha have not gone very well. Given that those discussions have not gone well, countries like Canada have engaged in bilateral agreements. There are those who would challenge the wisdom of that and whether the agreements should be multilateral or bilateral, but at the end of the day we have to move forward because the discussions have not been very meaningful or conclusive thus far. We cannot stand back while other countries sign agreements.

As I mentioned, Brazil is a huge player in that area. It is a country of 170 million people with a \$2.2 trillion budget that keeps on growing. Our engagement in Panama further links us to the markets in South America, such as Brazil and other players.

The GDP of Panama is \$44 billion. As I mentioned, the amount of trade we do with it is small, about \$100 million, but it is nothing that we can dismiss as there are strategic interests for Canada.

I would be pleased to support this agreement. It is fairly good for Canada and Panama and offers the opportunity for mutual benefits, increased trade and co-operation in years to come. This is the essence of good trading relationships and good trade agreements.

• (1720)

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I still find it disappointing to hear a Liberal colleague speak in favour of this bill. He says that the proposed agreement is good for Canada. That is too abstract for me, and I would like him to be more specific.

We need to remember that the OECD considers Panama to be a tax haven. Perhaps it would be good to review the criteria for declaring a country a tax haven: lack of transparency; laws or administrative practices that prevent the effective exchange of information; and indications that the country is attempting to attract investments that are purely tax-driven and not for economic activity.

I am wondering what good there is for Canada in all of that. Perhaps it is good for businesses that will avoid paying taxes, which our constituents will end up paying for them. I would like to hear the member explain his position.

Government Orders

Mr. Mario Silva: Mr. Speaker, I thank my hon. colleague for the question. I would especially like to thank him for his concern and his interest in everything that is good for Canada.

At committee, we had the opportunity to hear from several witnesses who spoke about this bill. Representatives from certain businesses clearly indicated that this bill offers many advantages for our country and for businesses that work in Panama. After several meetings during which I had the chance to hear many people's testimony, in the end, while I cannot say there was a complete consensus, I can say that people who have been able to invest in Panama said that the bill would benefit businesses and would benefit Canada.

[*English*]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I listened with great interest to the member's speech and the one presented earlier by his Liberal colleague. I would have to say that I am very puzzled because I specifically remember his saying that side agreements are important. Let us backtrack from this. What is very important for fair and balanced trade is that we enter into trade agreements that provide for a balancing of trade to further economic development and looking after human rights, labour standards, and environmental protection. The scholars would tell us that we do that by making sure there is one trade agreement that contains all those measures and is legally binding.

If there is anything we should have learned from the failings of the NAFTA and its side agreements, is that it was a mistake. As I recall with two previous U.S. presidents and moving on through to President Obama, there were great concerns about the frailties of the NAFTA.

I think the member is confusing apples and oranges. Actions by the government to command another party to agreement are different from corporate social responsibility where obligations are imposed on an independent corporation.

I wonder if he could speak to that.

Mr. Mario Silva: Mr. Speaker, I spoke on two issues. One was the issue of this particular agreement and the side agreements which I thought was important. I said in terms of the evolution of the agreement, I think this is a very big step. I mentioned the fact that even on the Colombia free trade agreement, we did deal with the issue of human rights with a review that takes place annually.

It is not the ideal of the corporate social responsibility bill that I had supported that was put forward by my hon. colleague, but it certainly is a step forward that we even have this on the table. That should be seen as an achievement in itself, and not going back to the idea that it cannot happen, because it is happening with these side agreements.

• (1725)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to provide some commentary on 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.

This afternoon we are debating the four report stage motions which were moved by a member from the NDP. These four motions are all motions to delete certain clauses in the bill.

The first motion is to eliminate clause 7, which outlines the purpose of the bill. I think the bill probably would still operate even if we did not have the narrative about what the purpose is because it is almost self-evident.

The second motion is to eliminate the clause which designates that the minister is the representative of Canada. That is almost self-evident as well, although it is probably good to have it in there.

The third motion is to eliminate clause 12, which lays out the minister's authorized activities in his role.

The last one is to eliminate the final clause, which is the coming into force clause, i.e., when this bill would become law.

The member for Windsor—Tecumseh had indicated that, in substance, putting all these together probably makes the bill somewhat sloppy or inoperative and basically would kill the bill.

Now we know exactly why we are spending all this time on this. It is probably why the Speaker has given so much latitude to members who are speaking because there is not very much we can say. These are constructive motions basically to scrap the bill. Some people would rather talk about the bill, which is really not what we are debating.

It is interesting that there has been so much irrelevance relative to what we are supposed to do, but probably some of the more interesting commentary that we have had with regard to bilateral free trade agreements in general. There have been a lot of very good issues that have come up. Some relate to double taxation issues, or tax-sharing information, or multilateral versus bilateral agreements, and some of those benefits and whether or not we should be doing trade at all with countries that do not respect human rights, with countries that do not respect the collective bargaining process.

We talked about the fact that in this particular case the trade activity between the two countries is very small. It is \$90 million one way and \$30 million the other. It is inconsequential. Yet, there have been eloquent speeches about what a great thing this is for agriculture and so forth. That is nonsense, quite frankly. There is not a great deal of trade.

However, what there is, is a future. There is the expansion of the Panama Canal which is going to be finished, I think, in 2012. It is going to open up new opportunities.

The most important aspect that has been raised is that there is a problem in Panama. It has been identified critically by the OECD, and it has to do with tax evasion through tax havens. Tax havens are fine. Tax avoidance is fine. Tax evasion is illegal.

Private Members' Business

We need good faith with our trading partners. They may not be part of a particular trade instrument that we have, such as a bill like this one, but they should be part of the conversation. I think that members have basically said we need to have this conversation about how we are going to conduct ourselves in terms of having ethical trade with other countries around the world. We need that conversation. I hope that it will start as a consequence of the input of hon. members today and that we understand that even in Canada there are people who do bad things. There are people who are money launderers, who break the laws, all the things we accuse these other countries of. Let us not be holier than thou. We have problems ourselves. We have to clean them up.

Mr. Speaker, I will finish this speech at the next sitting.

• (1730)

The Acting Speaker (Mr. Barry Devolin): It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

FEDERAL SPENDING POWER ACT

The House resumed from November 2, 2010, consideration of the motion that Bill C-507, An Act to amend the Financial Administration Act (federal spending power), be read the second time and referred to a committee.

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Public Works and Government Services and for Official Languages, CPC): Mr. Speaker, there are several reasons why I wanted to participate in this debate on Bill C-507, introduced by the member for Saint-Lambert.

First, I must say that only the Bloc could come up with a scenario like the one described in this bill. Our party will obviously be opposed. This bill would not benefit anyone in Quebec or in the rest of Canada. It proposes a system that cannot work, and the consequences of this bill would no doubt be terrible.

We have to wonder about the relevance of this initiative and about its real goal, which is purely political and partisan. I was very surprised that it was introduced, since the federal spending power is something on which we have taken concrete action.

In the spirit of our open federalism, our government has shown flexibility, particularly by restoring the fiscal balance, by focusing on its core jurisdictions and by avoiding interfering needlessly in the provinces' jurisdictions. Furthermore, when such expenditures were necessary, we sought and obtained the consent of the provinces. We avoided creating shared-cost programs in provincial areas of jurisdiction, and when we did so, we sought and obtained the consent of the province or territory.

Let us look at the example of Canada's economic action plan. I do not think I need to go into detail about the difficult situation that forced us to adopt this series of aggressive measures to help Canada make it through the worst economic crisis since the recession in the 1930s. But we worked together with the provinces for the benefit of

Canadians. And now, with this bill, the Bloc is asking us to forever abandon this tool that successfully helped us through the crisis.

To that end, our government had to spend in areas of provincial responsibility, sometimes through shared-cost programs such as the \$500 million recreational infrastructure Canada program or the \$4 billion infrastructure stimulus fund. The provinces' approval of this approach reflected the belief that the response to the crisis had to be a shared response. Furthermore, the targeted, temporary and time-limited nature of the economic action plan reflected our government's desire to avoid long-term distortions of roles and responsibilities.

When the economic recession hit the world, we implemented one of the largest stimulus plans in the G7. Canada's economic action plan used every means at its disposal to stabilize the Canadian economy and get Canadians back to work.

Canada was able to respond to the crisis from a position of strength owing to the stability of its financial sector, the good financial health of businesses and households, the ongoing effect of broad-based tax reductions it had already instituted, as well as its strong fiscal position.

What was the outcome of this co-operation among the various levels of government? Canada is leading the global economic recovery.

• (1735)

Of all the G7 countries, Canada recorded the smallest decline in output during the recession. It is the only G7 country to have practically returned to pre-recession output levels. It is the only G7 country to have recorded, in March 2010, a year-over-year increase in employment. Since July 2009, our government has contributed to the creation of more than 420,000 jobs.

This exceptional performance has not gone unnoticed by other countries.

Canada's economic leadership stands out and has been recognized by international economic organizations and the press. In an article that appeared in the *New York Times* on January 31, 2010, economist Paul Krugman wrote that the United States must learn lessons from countries that have obviously made the right choices and that their northern neighbour is at the top of that list.

In this context, Quebec is benefiting from Canada's performance.

In his March 30, 2010 budget speech, Premier Jean Charest said:

The recovery plan we have implemented and the strategic investments we are making in our infrastructure, which total \$9.1 billion for 2010-11, have enabled Quebec to distinguish itself and do better than any other economy in the world. With more than 3.9 million Quebecers in the labour force, we are reaching new heights in our history.

At this time, we would like to point out the importance that Mr. Charest gives to the infrastructure program, which is both an essential component of the economic action plan and an excellent example of intergovernmental co-operation.

Although the economic recovery in Canada remains fragile, Canadians can be proud of how the federal, provincial and territorial governments have worked together to deal with the major issue of the country's economic vitality.

It goes without saying that the model proposed in this bill would have made the implementation of the action plan extremely complicated because of the delays the proposed amendments to the Financial Administration Act would have caused. Our government was able to quickly implement the economic action plan; however, the federal-provincial-territorial negotiations that would be necessary if this bill were passed would make such a quick and efficient response impossible. This is just one of the major flaws in this proposal.

There is also another disadvantage to this bill that does not really seem to pose a problem for the Bloc Québécois but that is certainly an issue for anyone who cares about the proper functioning of our federation: the role that the Government of Canada is called upon to play. The constraints imposed by Bill C-507 would make the federal government's leadership subject to the mercy of the provinces. The bill would deprive the Government of Canada of the latitude needed to react to changing circumstances both within the country and throughout the world. It would also undermine the Government of Canada's ability to strengthen the country in the interest of all Canadians.

I am sure everyone will agree that this bill would not improve the functioning of our federation in any way; the only party in the House that is not striving to achieve this objective is the very same party that is proposing that Bill C-507 be passed. This party's loyalties lie elsewhere and it is easy to see where.

By way of example, I would like to quote the member for Bas-Richelieu—Nicolet—Bécancour who said in the September 11, 1997 issue of *Le Droit*, "We have to show that federalism is not advantageous for Quebec. Sometimes, it appeared to be working. Now, we will be able to take it apart at our leisure."

● (1740)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to offer some commentary on Bill C-507, An Act to amend the Financial Administration Act (federal spending power).

It is a very straightforward bill. It basically states:

...no payment shall be made out of the Consolidated Revenue Fund in respect of expenditures relating to any of the subjects listed in section 92 and subsection 92A(1) of the Constitution Act, 1867 that are under provincial jurisdiction.

That is unless the province gives the authority to do so. It basically says that the federal government should stay out of provincial jurisdictions and just give them the money and everything will be fine.

The bill requires the royal recommendation in the first place and, therefore, will not be coming to a vote. However, it does give members an opportunity to put on the record some of the thoughts that they have with regard to the importance of healthy federal-provincial relationships in Canada. There are split jurisdictions but there are some things we must work on together because there is no point in having 10 of something, or 12 if we include the territories,

when it is possible to have it all come under one umbrella with a sharing of the cost. It is like economic efficiencies.

I will give an example of such an efficiency which might demonstrate why I feel that the bill is not appropriate. It has to do with the fact that Canada is the only industrialized country in the world that does not have a national public cord blood bank. I am sure most members of Parliament have read stories about how after a baby is born the blood can be removed from the cord and the placenta. It is about a cup of blood that is so enriched with stem cells and pluripotent cells that it can be of enormous benefit to the child that it belongs to should he or she develop health problems. This can be stored. Interestingly enough, though, that is a private system. There are private businesses. I know one of our colleagues is spending \$100 a month to store the cord blood for his recently born child.

Other countries have found that, because of the costs involved, this is not a health service available to Canadians as a whole. However, having a public bank would allow people to store cord blood and then, through a registry system similar to the way we match blood types, commence matching for anything requiring compatibility to lessen the risk of rejection. This all has to do with stem cell research and therapy.

The fact that we are the only industrialized country that does not have one causes me to question why we would not do such a thing. We do have the Canadian Blood Services Agency which, in 2007, consulted with the provinces, research groups, transplant physicians and operators of public cord blood banks, and it concluded that Canada needed to establish a national public cord blood bank and that the time to begin was now. However, we have not done it and the reason we have not done it is because we are feuding about money.

I was at a breakfast this morning sponsored by the member for Etobicoke North who is very knowledgeable in this area. She told me that I needed to go to the breakfast because I needed to hear something. We are talking about \$60 million to establish a national public cord blood bank. It would be of benefit to all Canadians and in fact would be linked into an international network. I have strayed too far away from the bill in terms of time so I will leave it at that.

● (1745)

This is a perfect example of federal and provincial co-operation. Even though health care delivery is a provincial responsibility, the bill says if we want to have a national bank, go ahead, but the provinces do not want it. The provinces want to be able to opt out and get compensation. With that kind of relationship between the provinces, the territories and the Government of Canada, good things do not and cannot happen.

That is a specific example of why the provinces want to have a national public cord blood bank, but they want to haggle over the cost, and that is why they are so far behind. They are probably about five years behind other countries around the world, because of haggling on the financial side. It is shameful. It is wrong and it should be changed. If I had my way, if I were the minister of finance, I would put \$60 million in the budget to start a national public cord blood bank. That is the way it should be done because it is for the health and well-being of all Canadians.

Private Members' Business

We cannot vote on the bill because it requires a royal recommendation, but I have some other thoughts.

The federal-provincial fiscal arrangements in which the federal government exercises spending power in the areas of jurisdiction afforded to the provinces actually dates back to Confederation when the provinces were provided with grants from the federal government to compensate them for the loss of certain fiscal powers. Today these arrangements form an important and positive nexus in federal-provincial relations that help to shape the economic and social environment of the country. The most visible means by which the federal government exercises this power is through transfer payments, including the Canada health transfer and the Canada social transfer. However, various third party federal trust and federally funded institutions, including the Canadian Foundation for Innovation also act as vehicles for exercising federal spending powers in the provinces.

Some parties consider the manner of federal spending as a forcible encroachment by Ottawa on the provincial jurisdiction, which the bill does without consultations or consent. That has fuelled the desire for increased autonomy, especially in the case of the province of Quebec and, more recently, the province of Alberta. When things are good provincially, we fight for our province.

There comes a point at which there is no rational reason to argue it is me first before the country. That goes not only for provinces, it goes for our people. We are all better off when Canada is strong, when Canada is humming along. Unfortunately, the current government has had some difficulty managing a simple bank book. It did not understand that black was good and red was bad. We have too much red in the books, but if we get more red on the other side of the House, we will fix it and bring it back to the black.

The proposed change the Bloc is seeking in the bill is absent of any explicit authorization from the provincial government and is the main issue within the bill.

The Liberal Party opposes this motion for the same reasons that we opposed the Bloc opposition day motion on October 21, 2010. It was quite extensive, but again, incorporated the same elements of argument in this bill, and members may want to consult the *Debates* of October 21, 2010, to get more background and details as to the arguments made by the various parties.

Having said that, the bill is not votable. However, should it have been votable, the Liberals would vote against it and we oppose the principle of the bill.

● (1750)

[*Translation*]

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, I have been listening to the members speaking on this issue here today. Of course, no political system is considered perfect. Some would say that the current system is very generous towards the provinces, but in what way? It is generous towards the provinces with the provinces' money. It is generous with the power it gives itself with the money that the provinces or the taxpayers must pay to the provincial and federal governments.

The hon. member for Lotbinière—Chutes-de-la-Chaudière tried earlier to justify the federal government's stranglehold over

provincial powers by citing urgency. He probably wrote his speech yesterday when it was extremely cold out. He gave a speech that I would describe as numb, as though from the cold. He had no idea where he was going with his totally gratuitous remarks.

In the current situation, one would have to be either small-minded or an idiot to say such things to Quebeckers. If he really believes them or if the Conservatives really believe them, we can only denounce such woeful ignorance.

Bill C-507 focuses on three principles. First, it seeks the explicit elimination of Ottawa's self-given right to spend in areas outside its jurisdiction, a right Ottawa claimed not by citing urgency and saying that it knows how to spend our money better than we do, but rather by believing that it is easier to ask for forgiveness than to ask for permission. That is what the member for Lotbinière—Chutes-de-la-Chaudière was saying. Asking for permission would have taken too long. He is probably right, because we agree that having endless discussions on the Constitution and on the power to do this and that takes too long.

We only need to look at how the federal Minister of Finance behaves with the Quebec finance minister concerning tax harmonization. They have been arguing about it and discussing it for 19 years. He says that it does not seem to be taking too long and that the officials are going to continue discussing it. As long as they are in discussion, Quebec will not see any money. Time is money.

The second aspect of Bill C-507 has to do with Quebec's systematic right to opt out without conditions and with full compensation. In other words, having joined Confederation once upon a time, we could agree to put this or that into the pot, but if something has been forcibly taken from us then it must be given back.

The third aspect is that compensation has to come in the form of tax points and not a cheque. We know full well that sometimes a cheque can be withheld. We see that clearly with the Minister of Finance, who owes \$5 billion to Quebec. He says he is not sending us the cheque. There were two court rulings, one in 2006 and another in 2008. The government did not go to the Supreme Court because it would have been denounced. It is not paying. Anyone in this House who had two court rulings ordering him to pay up would have his assets seized if he did not. In this case, the Queen is saying that we cannot seize crown assets. We are fed up with this type of discussion. We are not interested in getting cheques. We want tax points in order to determine a tax field that would belong to us.

● (1755)

This entire discussion is the basic principle behind our sovereignist or independence movement. We want to do things our own way. The members opposite can have their own country, the way they want it. I have no problem with that. If they want to give the automotive industry \$10 billion, that is fine by me. If they want to give the oil industry billions of dollars, that is just great, but let them do it with their own money, not with mine or ours. We need the money for the forestry industry. That is spending power.

Private Members' Business

We have our own beliefs, principles and views. We want to build a country in a certain way. What is a country? It is tax principles. In other words, we do not like the tax havens that others encourage. We do not like fraudsters. On Tuesday, in the Standing Committee on Finance, we were told that Canada was promoting the use of tax havens. If that is what they want, that is fine, but we do not agree. Can we opt out and have our own tax policies?

There is also the social aspect. I met with the Minister of Finance yesterday. I told him that, for us, community housing and the fight against homelessness, for example, are very important. We shall see. For years they have said no, they do not agree. If they do not agree, that is fine, but what we are saying is that as long as we are part of this country, we want our money. The member for Lotbinière—Chutes-de-la-Chaudière was right in saying that our stated political goal is to get the heck out of here, to be somewhere else, at home, in Quebec. That is what we are doing today, what we did yesterday and what we will be doing tomorrow.

However, as long as the people say that they are willing to wait for a “yes” vote in a referendum, we will be here, because we were elected by people who asked us to be here. And the members need not be worried: we will get re-elected. We will get re-elected because we have different social and moral objectives.

We saw it with the gun registry. The vote was not close, not at all. It is not true that there was a two-vote difference. More than 75% of Quebec members voted to keep the gun registry and more than 60% of Canadian members voted against it. They might scrap it, but we do not agree and we will create our own.

There are fundamental differences. This bill is super-simple. It asks the government to stop encroaching on our jurisdictions, to stop acting like highway robbers who claim to know what we need. We have had enough constitutional negotiations. We have had enough fighting over the numbers. Is it \$6 billion, \$5 billion or \$2 billion? What do you want? What do you not want? What do we want? What do we not want? Today it was about taxing diapers. Come on. They can tax them if they want to, but we do not want to.

In the meantime, we want our full powers. That is what this bill is about, and I will say that this bill is just a reasonable accommodation until we are able to pick up and leave, when we have the power to make Quebec our own country. That is why we are all here. That is why I am here and that is why we will be here until Quebec sovereignty is a reality.

[English]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I want to add a number of words on this particular bill before us. I disagree with what the previous speaker was talking about. Having been a provincial legislator for almost 19 years, I understand there are many issues in each and every province and, at times, many of these issues dictated that we did not necessarily agree with what Ottawa was saying, or what this prestigious chamber was acting on.

On different issues at different times, there are always going to be differing opinions. However, at the end of the day, I see the merit of having a strong national government that is able to provide programming standards from one coast to the other. I think that is critically important.

If one listens to the logic of the previous speaker and the talk about tax points, the point made was not to give us money but the tax points. So if a province wants to opt out of something, give us the tax points.

In the 1990s, there was a great debate in the province of Manitoba. It centred around health care. Manitoba politicians were arguing that based on the tax points transfers, it was only a question of time before Ottawa would not be giving any money towards health care. I would argue that the day that occurs, the federal government would not have any real influence in terms of national health care standards in any province in Canada. We need to have the cash transfers. If we do not have the cash transfers, we do not have the ability to ensure that the Canada Health Act is in fact being respected. There has to be the money. If we do not have the money, if we are not prepared to pay part of the bill, we will not be able to ensure there are national health standards.

There are people in every province across Canada who would like to see no money coming from Ottawa, that all of the money would just come in the form of a tax transfer. There are people in Manitoba who would ultimately argue that point. However, I believe a majority see the merit of having national health care standards.

If we ask Canadians, no matter in what province, we will find that Canadians are very proud of the health care system we have. Yes, the provinces have the primary responsibility for administering health care. I know that, because for years I was the health care critic in the province of Manitoba. However, Ottawa has a responsibility to ensure there are national health care standards, to ensure that every Canadian has the right to go into a hospital, whether in the province of P.E.I., Newfoundland, B.C., Alberta, Quebec, or any other province.

My ancestors come from the province of Quebec. I am very proud of the province of Quebec and the things that are happening there, as I am very proud of every province in our country. I believe there need to be national standards.

I am a very proud Manitoban. I love my province and I was part of that debate during the 1990s when we were talking about national standards in health care, and when we had the tax points dwindling the federal commitment to health care. Those things concern me. I was glad when former Prime Minister Chrétien said they were going to establish a floor, a guarantee, in terms of health care funding. That was a good thing, and Canadians supported it.

If we followed the advice of some members or some Canadians from whatever province, we would never have an ability to have a national daycare program. Remember, it takes leadership to demonstrate and respond to what Canadians from all provinces want to see. Daycare is one of those issues. I would suggest that if in the future, we want to be able to have a national daycare program or to support daycare in every province, one of the things we can do is to look at some form of national financial commitment to ensure there are some standards in place, so that every parent or guardian is able to have his or her child in a program.

Private Members' Business

● (1800)

There are many different types of contributions Ottawa makes to the provinces that are critical to their overall development.

When Lloyd Axworthy was a minister, he made a commitment to redevelop a core area of Winnipeg, The Forks. Today, over two million people visit The Forks. The Forks is a reality today because of an Ottawa initiative. It was Lloyd Axworthy who came up with the idea. He shared it with others and said the government was prepared to put in some money. The provincial and municipal governments got onside and now there is a wonderful, beautiful thing in Winnipeg. Millions of people every year go through The Forks. Prior to that, it was a raw piece of land that had train tracks on it. No one went there. Now it is a magnet for tourism.

This was done because there was a federal government that took an interest in a certain development in the city of Winnipeg. I would argue that this sort of interest is not just in Winnipeg. There are other politicians in all political parties, even within the Bloc no doubt, who have ideas that could make a difference in their provinces. Why would anyone want to prevent Ottawa from encouraging it or investing in it?

That is why it is important to recognize the valuable contributions Ottawa has made in the past and can continue to make in the future, but we need to recognize and respect that provinces have primary responsibilities in certain areas. We have to respect that, but that does not mean we do not play a role in it.

I remember some of the debates on the Constitution. I do not want to open up that issue, but I can recall that one issue was housing. One issue was that maybe the provinces should have sole responsibility for housing and if we followed the logic of the Bloc members, they would say to get rid of the transfer payments and the cash and give tax points instead.

Today Ottawa nowhere near as much as I or many provinces would like to see should be investing in housing. Housing is a serious issue in every province. We need to provide more affordable housing to all Canadians. To say that the federal government does not have a responsibility for that is hogwash. The federal government does have a responsibility to provide shelter for all Canadians, no matter in what province they live. It has a role to play. It is our responsibility. It is time we started living up to those types of responsibilities.

When the government is deficient in addressing those issues, it is the responsibility of the opposition to remind the government that it has that responsibility.

If a resolution, motion or a bill passed of this nature, imagine the profound impact it would have on our nation and how we would be serving Canadians by allowing a bill of this nature to be passed. It does not matter where one lives.

At the end of the day, if it is important to Canadians, it should be important to us. If there is a way in which we can deal with some of those issues by supporting municipal or provincial governments and working in co-operation with the Quebec government or the Manitoba government, we should be doing it. That is what I would be arguing for.

I feel very passionate about this issue and look forward to many more debates on it.

● (1805)

[*Translation*]

Mrs. Josée Beaudin (Saint-Lambert, BQ): Mr. Speaker, first, I would like to thank my colleague from Hochelaga for his earlier remarks about this bill. He spoke with all the zeal and passion we have come to expect from him. Specifically, he spoke clearly about Bill C-507.

I have the pleasure of rising to conclude the debate at second reading of Bill C-507 regarding what has become known as the so-called federal spending power.

Contrary to what the members for other parties may have said over the course of the debate, the purpose of this bill is not theoretical debate, as the Parliamentary Secretary to the Prime Minister might think, nor is it an “esoteric constitutional matter,” as it was described by the member for Brossard—La Prairie during first reading.

First, I would like to remind those esteemed members that the termination of the so-called federal spending power is something that Quebec has been demanding for a long time. In fact, since the 1960s, no matter what their political party, all the successive Quebec governments have been disputing the so-called spending power that the federal government has given itself. The federal government gave itself this power in order to assume unlawful oversight in Quebec's affairs and impose its standards and conditions on Quebec. I am always extremely surprised to hear Conservative members from Quebec accept this fact. By exercising this so-called power, the federal government negates the social choices that Quebecers have made, are making and will make. The reason this issue is important is that in Quebec we are concerned about our health care, education and other systems. And that is neither theoretical nor esoteric.

For instance, consider the example of research in Quebec universities. Federal funding in this area comes with strings attached, which means that the federal government can choose the areas of research it wants to promote. In budget 2008, for example, research grants were awarded on the condition that the research relate to business. Other examples are the Mental Health Commission of Canada or the cervical cancer vaccination program announced by the Conservative government in budget 2007, whereby the transfer of federal funds was conditional on respect for federal priorities without taking into account the priorities of Quebec and the provinces.

During the 2005 election campaign, they tried to seduce Quebec by promising to eliminate the fiscal imbalance, even though the federal government's exercise of the so-called spending power is an integral part of the fiscal imbalance.

A few months after the election, the Prime Minister even added: “I have said many times, even since the election of this new government, that I am opposed and our party is opposed to federal spending power in provincial jurisdictions. In my opinion, such spending power in the provinces' exclusive jurisdictions goes against the very spirit of federalism. Our government is clear that we do not intend to act in that way.”

Adjournment Proceedings

Since that time, however, the Conservative government has definitely not “delivered the goods”. Indeed, in budget 2007, it instead quietly mentioned that it wanted to limit the supposed federal spending power instead of ending it altogether. After project seduction and the election campaign were over, we began to see the true colours of this government. By saying it wanted to limit a power that does not exist, the government was in fact acknowledging it.

Then, in budget 2008, the government said it wanted to introduce a bill that would impose limits on the so-called federal spending power in areas of Quebec and provincial jurisdiction. Obviously, we are getting further and further from the Conservatives' original promise. In fact, the Conservatives are simply following in the footsteps of all previous federal governments, regardless of their party colours: interfering in fields of Quebec and provincial jurisdiction to set national standards and determine what Quebec's priorities should be, instead of allowing Quebec to do so.

As for the NDP, in the first hour of debate, the member for Outremont used a false pretext to avoid saying he was in favour of the bill. The bill would set the record straight by limiting federal spending power to the federal government's own areas of jurisdiction. If the provinces want the federal government to interfere in their affairs, they can sign agreements. The member for Outremont said that he recognized the federal government's right to interfere in areas outside its own jurisdiction, and that he would legitimize the so-called spending power by amending our bill to say that this power exists, except for Quebec.

• (1810)

We cannot accept that. The rule must be clear: the federal government cannot spend money in areas outside its own jurisdiction, unless it is exceptionally asked by a province.

Lastly, all of the federalist parties refuse to recognize that the so-called federal spending power has no basis and that we must put an end to it and give some tax room to Quebec and the provinces to properly fulfill their responsibilities in accordance with their own priorities.

All of these federalist parties insist on legitimizing this so-called spending power to continue to deny Quebec's legitimate aspirations and choices. In fact, all—

• (1815)

The Acting Speaker (Mr. Barry Devolin): Order. The time provided for debate has expired.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Barry Devolin): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Barry Devolin): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Barry Devolin): In my opinion, the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Barry Devolin): Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, February 9, 2011, immediately before the time provided for private members' business.

[*English*]

Hon. Michael Chong: Mr. Speaker, I rise on a point of order. I believe if you were to seek it, you would find unanimous consent to see the clock at 6:30 p.m.

The Acting Speaker (Mr. Barry Devolin): Is it agreed?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

EMPLOYMENT INSURANCE

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, since the beginning of the recession in 2008, families across Canada have struggled to make ends meet.

Many Canadians are barely getting by and any unexpected expense would be enough to stretch their resources beyond where they can manage. An example would be the sudden illness of a loved one, particularly one of the main earners within the household. Sadly this is the reality in many homes across Canada. Fortunately Canadian families pull together when challenges like these present themselves.

There are approximately 2.7 million family caregivers in Canada responsible for 80% of Canadian home care services. This represents some \$9 billion in unpaid care each year in our country.

Motivated by love and compassion, these caregivers willingly meet these difficult challenges. However, in doing so, they reasonably expect that their government would be willing to stand with them. Many of these families have paid their taxes for years without ever having taken anything back. Now they need a hand, and it should be there.

Unfortunately the Conservative government has decided that instead of making Canadian families a priority, it will instead continue with cuts to corporate taxes, while building more prisons despite volumes of studies that show this is not the way to go.

The reality is that our population is aging at an incredible rate and these numbers will only continue to climb. One in five Canadians will be over the age of 60 in the next decade. By 2017, just six years from now, it is expected that the number of Canadian seniors with chronic conditions requiring home care will increase by one third.

Adjournment Proceedings

When we consider that already 40% of family caregivers are forced to take time off work and have to dip into their personal savings to survive while providing home care, and that well over half of Canadian caregivers have a household income of less than \$45,000, Canadians are already being put into a tough spot.

As more and more Canadian seniors come to need home care in the next few years, the Conservative government is showing a disappointing lack of planning. It is not only poor planning, it is bad public policy.

Caregivers must make tough choices, but the Liberal Party will never let that choice be one of not being able to care for a parent, spouse or child results because they must work to stay financially afloat.

Canadians deserve the flexibility of care for their families and ailing Canadians deserve to live in dignity as they face health challenges and advancing years.

That is why I am proud of the Liberal Party's proposed family care plan. We will invest \$1 billion annually in this plan in order to reduce the economic pressure on hundreds of thousands of Canadian families.

This plan includes a new six month family care employment insurance benefit that would replace the existing six week compassionate care benefit, so Canadians do not have to choose between quitting their jobs and caring for a gravely ill family member.

This new EI benefit can be broken up over 52 weeks so that the weight of caring for a sick loved one is no longer placed on one family member's shoulders.

We will also introduce a tax benefit to help low and middle-income family caregivers who provide this essential service. This tax benefit of up to \$1,350 per year will help an estimated 600,000 families and will be available to all families earning under \$106,000 a year.

While we are seeking to give Canadian families choices in caring for their families during a challenging period, how is it that the government can find the funds to cut \$6 billion from taxes paid by big business and corporations, but not be able to find \$1 billion for family caregivers?

• (1820)

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, to start, I think every member of the House empathizes and sympathizes with Canadians who have loved ones in need of care, whether they are an elderly parent or an ill child.

Many Canadian families at some point need to make the decisions that come along with providing that care. Those who are providing care now, and who will in the future, deserve our appreciation and respect.

As a government, we have translated our respect into action to support these Canadians. In 2006 we expanded the number of people who could qualify for the EI compassionate care benefit by

broadening eligibility to both more extended family members and others outside of the family.

In this Parliament, we have extended voluntary access to the compassionate care benefit and indeed to all EI special benefits for the first time to approximately 2.6 million self-employed Canadians. Groups like the CFIB, the Canadian Federation of Independent Business, the Canadian Bar Association, the Grain Growers of Canada, the Real Estate Association and the Direct Sellers Association praised our government for this measure, which will help with the home lives of many Canadian families.

As I said, Canadians deserve respect and understanding of the choices they face in their home and family lives. Our idea of respect for Canadians reflects our belief that Canadians know their families best and know best how their families need to respond to challenges like care for the elderly, the ill or disabled family members. Canadians endorsed that idea by electing us in the last two elections and rejecting the opposition, whose idea is excessive spending and excessive taxes.

Our government introduced the universal child care benefit, which endorses choice and respects the family. We have created the registered disability savings plan, the RDSP, a very popular program, to help families save to look after loved ones with long-term disabilities and can provide more choice in a real forum of home care.

Perhaps most important, unlike the tax and spend Liberal government, our government is leaving more money in the pockets of Canadian families so they can have even more choice to better act on their priorities. That help, over \$3,000 more per year in the pockets of Canadian families under our government, most certainly includes helping to take care of loved ones in need of care.

We are respecting Canadians and their families by ensuring families have more of their own resources to direct themselves to make their own choices. This is in stark contrast to the rigid view of the opposition. The Liberals and the coalition partners demonstrate that they see only one solution: new programs with ever-more bureaucracy and ever-decreasing choice in flexibility and increasing taxes.

We do not think one size fits all. Government bureaucracy is not the solution for Canadian families. That is not what is best for families with all their individual needs and that is not what is best for our government.

We believe Canadians need more choice and more flexibility. We are delivering more choice and more flexibility to Canadian families so they can look after their needs.

Mr. Mario Silva: Mr. Speaker, the government seems to miss the point yet again. Its programs do not reflect the realities of the present economy. Nor do they do anything for the multitude of Canadians who will be over 60 in the next 10 years.

Adjournment Proceedings

The Canadian Nurses Association, the Victoria Order of Nurses, the Canadian Association of Retired Persons and the Alzheimer Society all agree that the Liberal plan is the way forward to safeguard public health care and reflect the values of family caregivers in our society and what they mean to the Canadian economy, to our health and to our communities.

Obviously one must wonder if the government does not believe that Canadian families deserve the support that they are giving to corporations.

Why will the Conservative government not recognize the realities facing millions of Canadians and invest in a program that will allow Canadians to survive financially during trying times?

• (1825)

Mr. Ed Komarnicki: Mr. Speaker, how can the member and the Liberal Party possibly think they have any credibility on this issue?

The Liberals had 13 long years of promises they did not carry out, broken promises on this and other related issues. They have proposed family care plans five times in the past 15 years. They have proposed their choiceless child care plan just as many times.

The fact is the Liberals failed to deliver when they had the power to do so. They failed to deliver through 13 long years in government. They said that if they only had one more term, they would deliver. Now they are making these promises again, but from the safety of the opposition benches where they do not have to take responsibility for the finances of the country.

Our government has taken action to help families look after their loved ones. We are delivering for Canadians just like we said we would.

PUBLIC SAFETY

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the government is giving away billions of dollars in corporate tax breaks while, at the same time, it is not prepared to commit money to help in terms of preventing or steering young people away from gangs. The government needs to invest in getting tough on the causes of crime, and that is what it is that I am suggesting.

Ultimately, I would argue that we can prevent crimes from happening.

The issue that I raised the other day highlighted four programs in Winnipeg that were having an impact in terms steering people away from getting involved in gangs. The government's lack of a commitment to indicate that we will continue with these programs has caused a great deal of apprehension in the province of Manitoba. I believe the population wants to see a government that is just as keen on getting tough on the causes of crime.

As a government, it has the opportunity to prevent crimes from taking place. If we can prevent young people from joining a gang, and quite often even the initiation process of joining a gang involves that person having to commit crimes in order to become a gang member, we would be affording them the opportunity to do something that is far more productive in life and, thereby, also preventing victims from occurring.

If the government were to say that it was not in a financial position to continue to financially support these programs, that would be one thing, but I would still argue that we still need the programs. That at least would be an argument. However, when we are giving billions of dollars in corporate tax breaks, how can we not support programs such as this that would enable us to prevent some crimes from taking place?

Since the government, the Prime Minister and the minister responsible are not prepared to say that they will commit to these programs going forward or look at other programs that would have the same impact in terms of preventing people from getting involved in gang activities, one needs to question why the government does not recognize the value of getting tough on the causes of crime.

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, I am pleased to take this opportunity to speak to the government's commitment and actions in crime prevention and to address the issue of youth gangs in particular.

This government is proud of its record in supporting communities to implement crime prevention initiatives and providing positive options for youth.

Crime prevention is a key component of the government's tackling crime agenda. Our government is not just committed to getting tough on crime. We also remain committed to taking action to prevent criminal activity and to making our communities safer.

In May 2006, the government committed \$46.1 million in funding over five years to help communities prevent youth crime with a focus on guns, gangs and drugs.

Recognizing that youth gangs were an ongoing concern in many communities, this government established the youth gang prevention fund in January 2007. This fund provides short-term funding for the development and implementation of evidence-based interventions aimed at youth who are in gangs or at risk of joining gangs. It helps municipalities and community-based organizations implement programs to help direct vulnerable youth toward jobs, education and positive social activities.

A total of \$33.6 million were allocated to Public Safety Canada for the administration of the youth gang prevention fund through the National Crime Prevention Centre and \$12.5 million to enhance the youth justice fund at the Department of Justice.

The youth gang prevention fund is a limited time fund and funding can only be provided up to a maximum of five years. Currently, all the funding available under the fund has been spent or is committed.

In line with its agenda on preventing and reducing crime, this government approved the renewal of the national crime prevention strategy in June 2008, providing additional ongoing funding to the National Crime Prevention Centre to support effective interventions with an increased focus on youth crime prevention.

Adjournment Proceedings

This fiscal year alone the National Crime Prevention Centre has spent over \$40 million in support of local crime prevention projects, most of them involving youth and many targeting youth crime.

The government has heard the legitimate concerns of the Canadian public regarding the youth gang situation and is committed to effectively address this issue that affects the safety of our communities. That is why we are working in partnership with the provinces and territories, not only to curb youth crime and violence by providing positive options for youth but also to find solutions that would ensure sustainability of effective crime prevention initiatives. We are also exploring possible avenues for the continuation of the youth gang prevention fund.

This government recognizes that there is a need to continue investing in effective results-oriented initiatives that contribute to preventing young people from becoming entrenched in a crime-ridden life. Preventing youth gangs continues to be a priority for the government.

• (1830)

Mr. Kevin Lamoureux: Mr. Speaker, when the sun goes down, seniors in certain areas of Winnipeg North do not go out of their homes because of the fear of not being safe in their own communities. Crime and safety is a major issue. In the last five to ten years it has become a lot worse in Winnipeg North and there is a sense of frustration as to why Ottawa is not listening or doing enough to deal with this.

Why will the national government not make a long-term commitment to do what it can and provide the funds necessary to assist young people in steering away from gang activities? Will the government make a long-term commitment to do just that?

Mr. Dave MacKenzie: Mr. Speaker, the fact remains that this government has made considerable investments in crime prevention to support communities addressing crime issues, including youth gangs at the local level.

We are committed to obtaining measurable results for Canadians. We are currently taking stock of the knowledge accumulated up to now through the many crime prevention projects that we have supported. We will assess what has worked well based on past experiences. This will allow us to better help communities implement effective measures adapted to their local conditions in order to reduce and prevent crime.

This government will continue to be committed to effective results-oriented crime prevention in local communities.

[*Translation*]

GOVERNMENT PRIORITIES

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, during this adjournment debate, I will be speaking mainly about the question I raised on November 2, 2010, about access to high-speed Internet. Access to high-speed Internet in rural areas is not widely available. The Conservative government has been making promises for years about investing in this. The reality is that in rural areas access to high-speed Internet is still an issue.

We must consider something else. Access is one thing, but do we have the means to pay for Internet service today? We saw the

Conservatives' panic in recent days caused by the CRTC decision that would have people pay for Internet service based on their usage. The majority of Canadians were no longer concerned by that. They no longer bothered to find out their usage because it was unlimited. That meant people searched for information on the Internet, students did research and small and medium-sized companies conducted business on the Internet.

Not only will Internet access be limited in the regions, but the way the Conservatives are handling this, we will now have to pay based on usage. The government can say what it will, but over the past few days, it has not immediately and unequivocally reversed the CRTC's decision, as the Liberal Party of Canada called for. They are leaving this in limbo. Who is now living in uncertainty? People in every region of the country. They are living in uncertainty and rest assured that the people in my riding told me clearly today that the Internet has become indispensable to them, in their lives, in their education and in their business. They were told to use the Internet.

Service Canada tells people to apply for employment insurance online. That requires using the Internet. The CRTC ruling would mean that people will be billed every time they use the Internet. It is fair to say that, in order to be entitled to employment insurance, the Internet may cost us more. This is an indirect way of taxing the taxpayers.

When will the Conservatives decide to provide high-speed Internet access everywhere immediately and stop dragging this on for years? We are not seeing concrete results in our regions.

When will the Conservative government show some leadership and assure the public that the government and Parliament will reverse the CRTC'S ruling?

There is a will to change the CRTC ruling. Where is the Conservatives' decision and willingness to ensure that the CRTC ruling will be reversed immediately to allow people to no longer live in uncertainty about usage-based billing, as is currently the case? That is what people are seeing: a reluctant government that lets big business do as it wishes, but does not take the needs and reality of Canadian taxpayers seriously.

• (1835)

[*English*]

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, obviously the hon. member missed a lot of things that were going on in committee during his afternoon nap.

The original question that was asked that led to this late show was actually about broadband Canada and rural broadband. Broadband Internet networks bring important economic social benefits, including Telehealth, business opportunities, distance learning and everything else the world has to offer to our Canadian communities. These networks encourage economic development, spur innovation and improve the quality of life in hundreds of communities from coast to coast to coast.

Adjournment Proceedings

Broadband Internet is increasingly a must have and our government believes that Canadians should have access to broadband wherever in Canada they may be. Access to high-speed Internet service is just as important today in terms of bringing people and communities together as the railroads and highway systems were in the past.

As I mentioned before, broadband Canada was announced in the 2009 federal budget, Canada's economic action plan, and given \$225 million in funding to help close the broadband gap in Canada. By far the biggest component of this strategy is "Broadband Canada: Connecting Rural Canadians", which targets areas of the country that are currently not served or underserved by broadband networks.

In May and July of this year, two rounds of conditionally approved projects were announced under the broadband Canada program. These 77 projects represent a Government of Canada investment of up to \$110 million and will bring broadband connectivity to 220,000 households across the country.

On November 6, 2010, the Minister of Industry announced the latest round of projects conditionally approved under the program. This third round consists of 21 projects in four provinces and one territory and represents another \$29.1 million federal investment to bring connectivity to an additional 30,000 households.

Through the broadband Canada program, the government has committed a total of \$139 million to expansion of broadband infrastructure. This investment will provide broadband Internet access to over 250,000 households. This means that once broadband Canada and similar provincial programs are completed, fewer than 2% of all Canadian households will be without access to broadband Internet services. In a country the size of ours, that is truly an incredible achievement.

We define broadband access as a minimum download speed of 1.5 megabytes per second. With this level of service, a consumer can use multiple applications at the same time, make a voice call over the Internet, download audio files and experience video quality streaming and video conferencing.

This past summer, Industry Canada spearheaded consultations aimed at developing Canada's first ever digital economy strategy. This will be a blueprint for propelling our country forward and ensuring we are ready for the opportunities and the jobs of the future.

● (1840)

[*Translation*]

Mr. Jean-Claude D'Amours: Mr. Speaker, the hon. member is referring to the 2009 budget. It is now two years later; the 2011

budget will soon be presented and, here on the ground, we are not seeing any results.

This is what I mentioned before. On one hand, the parliamentary secretary is saying that a minimum is required and that people must be given Internet access so that they can use it, even more so than in the past, to obtain information. On the other hand, the same government and its minister do not want to reverse the CRTC's decision to imposed usage-based billing for Internet. That is also what we need, because high-speed Internet access is still not available to everyone. That is the first issue.

The second is that people will now be required to pay based on use. When will you reverse the CRTC's decision? Your minister and government need to turn around and make the right decision for Canadian consumers, for the people that we represent. Canadians must be told once and for all that they do not have to worry, that we will take care of them, that they will not have to pay for Internet based on use and that they will continue to be able to have unlimited access to high-speed Internet.

When will the Conservatives make a clear and forthright decision in this regard?

[*English*]

Mr. Mike Lake: Mr. Speaker, again the hon. member obviously was not paying attention today during the hearings and the industry minister's press conference afterward. Both the Minister of Industry and the Prime Minister expressed serious concerns about the decision by the CRTC on Monday.

Today, there was a hearing at which we had the opportunity to hear from the head of the CRTC, Mr. Konrad von Finckenstein. I am not sure if the hon. member happened to tune in and watch the hearings. It will rerun on CPAC tonight. Maybe he will have a chance to tune in or get the transcript of it.

This government will always act in the best interests of consumers, increase competition and increase the uptake of technology on behalf of Canadians when it comes to the Internet.

The Acting Speaker (Mr. Barry Devolin): The motion that the House do now adjourn is deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:43 p.m.)

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