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OFFICIAL REPORT
(HANSARD)

Thursday, May 9, 2002

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, May 9, 2002

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1005)

[*English*]

TEAM CANADA

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, the Team Canada Inc. annual report 2001.

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ASSISTED HUMAN REPRODUCTION ACT

Hon. Anne McLellan (Minister of Health, Lib.) moved for leave to introduce Bill C-56, an act respecting assisted human reproduction.

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

* * *

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 19th report of the Standing Committee on Foreign Affairs and International Trade entitled "Building an Effective New Round of WTO Negotiations: Key Issues for Canada".

In accordance with its order of reference of Thursday, December 6, 2001, your committee has considered and has held hearings on the Doha development agenda of the World Trade Organization and agreed to it on Wednesday, April 17, 2002.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 55th report of the Standing Committee on Procedure and House Affairs regarding membership on some committees, and I should like to move concurrence at this time.

(Motion agreed to)

[*Translation*]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I move:

That the membership of the Standing Committee on Procedure and House Affairs be modified as follows:

Wayne Easter for Paul Macklin.

(Motion agreed to)

* * *

[*English*]

PETITIONS

RIGHTS OF THE UNBORN

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, I am pleased to present a petition signed by 1,255 petitioners. The petitioners draw the House's attention to the fact that modern science has unequivocally and irrefutably established that a human being begins to exist at the moment of conception.

The petitioners are asking the government to bring in legislation defining a human fetus or embryo from the moment of conception, whether in the womb of the mother or not, and whether conceived naturally or otherwise, as a human being and making any and all consequential amendments to all Canadian laws as required.

I believe this petition is worthy of the House's attention.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

GOVERNMENT CONTRACTS

The Speaker: The Chair has received notice of a request for an emergency debate from the hon. member for Winnipeg Centre.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I think you will find that your office will have received a letter from my staff yesterday notifying you of my intention to ask for this emergency debate tonight. I hope you will see the merits in our arguments that this is an issue that does properly meet the tests for an emergency debate and should be given the time in the House of Commons later today. We would be ready to argue this at the end of ordinary business today.

I argue that the sheer magnitude of the communications sponsorship scandal has actually rocked the country and created a crisis of confidence in the current government. I argue that it is a matter of emergency proportions. I will argue one simple fact that will not be addressed that Canadians need to have addressed in parliament.

The fact is that the auditor general's mandate is really quite limited. She can only comment on malfeasance by public servants.

The RCMP's mandate, in its investigation, is limited as well in that they will be able to comment on any fraud or misrepresentation on the part of the contractors in question.

A third question remains unanswered and only parliament can deal with it. Was there political interference? Did these public servants break all the rules because they were ordered to by a current minister, a former minister or anybody on their staff. That is the concern that parliament has to be seized with. Those are the arguments that we need to hear and to make tonight. The auditor general cannot answer the question of whether there was political interference nor will the RCMP. It is the most compelling issue facing the country as this terrible scandal starts to grow.

● (1010)

The Speaker: The Chair has carefully considered the arguments advanced by the hon. member on this point and has reviewed with care the letter he had the courtesy of forwarding to me yesterday.

I must say that my initial reaction is that the matter is not a matter of urgency. The report was tabled yesterday but do not think it has by that tabling created a matter of urgency.

I recognize the interest in the matter. I note first that the estimates of the Department of Public Works and Government Services are currently before one of the standing committees of the House for study. I note also that a request has been made that they be the subject of a five hour evening sitting in committee of the whole sometime between now and the end of the month of May. This will be a matter of some pleasure to the House to sit in the evening and debate something like this.

Accordingly, I feel it is unnecessary that we change our normal procedures today on something that in my view is not urgent and which will be addressed through other avenues that are available to hon. members in the near future.

Accordingly, I feel that the request is not acceptable to the Chair at this time.

Mr. John Reynolds: Mr. Speaker, I rise on a point of order. While this may not meet the criteria under Standing Order 52, we believe the issue should be debated.

Therefore, we seek unanimous consent of the House to consider the following motion on the order paper in my name. It was supposed to take place today, maybe as the Speaker knows, but the government cancelled our supply day.

The motion reads:

> That, in the opinion of this House, the reason why 69% of Canadians polled in a recent survey viewed the "federal political system" as corrupt is because the Prime Minister and this government have failed to make public their secret code of conduct, have broken their own Liberal red book promises such as the one to appoint an independent ethics counsellor who reports directly to Parliament and have failed to clear the air over allegations of abusing their positions to further their own interests and those of their friends.

We would seek the unanimous permission of the House to debate that motion today.

The Speaker: Does the hon. Leader of the Opposition have the unanimous consent of the House to proceed on this debate today?

Some hon. members: Agreed.

Some hon. members: No.

GOVERNMENT ORDERS

[*English*]

PUBLIC SAFETY ACT, 2002

The House resumed from May 3 consideration of the motion that Bill C-55, an act to amend certain acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety, be read the second time and referred to a committee, and of the amendment and of the amendment to the amendment.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, I am addressing Bill C-55 which is before the House at present. The point I want to make right off the top is that there is nothing in the bill that would have prevented the terrible events of September 11 last year, in fact it could have the opposite effect.

If the bill goes through unamended it could actually do the exact opposite to the government's stated objective.

I will elaborate. The federal government is using the September 11 terrorist attack as an excuse to continue its anti-gun, anti-hunting, anti-farmer, anti-sport shooter, anti-firearms collector, anti-historical re-enactor, anti-licensed firearm and ammunition dealer, anti-guide, anti-outfitters and anti-aboriginal hunting rights agenda.

Those are the honest, law-abiding, taxpaying Canadians the Liberals have targeted with these 10 pages of proposed explosive act amendments in the bill.

The amendments were so urgent that the Liberals have waited four and a half years to bring them before parliament. After all, it was on November 14, 1997, that former the deputy prime minister, Herb Gray, signed the Organization of American States inter-American convention against the illicit manufacturing and trafficking in firearms, ammunition, explosives and other related materials in Washington, D.C.

Those wanting proof of the government's anti-gun agenda, here is what the former deputy prime minister, Herb Gray, said when he signed the OAS convention in Washington, in 1997:

> This could be the start of a global movement that would spur the development of an instrument to ban firearms worldwide that would be similar to our land-mines initiative.

That source was from the Montreal *Gazette* of November 15, 1997, "Canada signs deal to curb illegal sales of guns".

If we need more proof, I will make the point that these proposed amendments are more about inexplosives than explosives. The term inexplosive ammunition component appears 26 times in these 10 pages of amendments.

The government already has total control over the explosive part of bullets and shells, namely gun powder. What possible public safety, anti-terrorism objective can be achieved by controlling parts of ammunition that cannot go anywhere without the gun powder?

The proposed amendments to control inexplosive ammunition components are plain and simple government harassment of tens of thousands of responsible firearms owners who happen to load their own bullets and shells for their own legal recreation and sport.

Terrorists and their deadly operations will remain unaffected and undeterred by these amendments. Explosives are easily obtained by terrorists by criminal means and just as easily manufactured with everyday materials that are available in most food and hardware stores.

The only part of the bill that is any good at all is the increased penalties for the criminal use of explosives. The trouble with these sections is that they will most likely hit the wrong target by potentially criminalizing tens of thousands of law-abiding citizens who load their own ammunition for their legal pastimes and sports.

Instead of writing the law the way the government intended, the government assures all concerned:

> The people responsible for applying the amended act do not think that the proposed measures will interfere with supplies for hunters and people who manufacture their own agenda.

If that is what the government means then why does the government not say who the laws are intended for and exempt everyone else?

The danger with these amendments was pointed out in a Library of Parliament research paper prepared on January 18. The lawyers reported:

> Those who presently make their own ammunition are already regulated under the Explosives Act since an explosive (gun powder) is a regulated product. Thus, licences are currently required, for example, to import explosives. Clause 36 would replace section 9 of the current Explosives Act by requiring a permit to import, to export and to transport in transit through Canada not only for explosives but also for inexplosive ammunition components.

● (1015)

Consequently, law-abiding citizens who manufacture their own ammunition would end up being charged with the new offences proposed in these amendments, offences that call for fines up to $500,000 and imprisonment of up to five years in jail.

Offences that are targeting law-abiding Canadians in this act include: acquiring, possessing, selling, offering for sale, transporting or delivering any illicit inexplosive ammunition component and making or manufacturing any explosive from an illicitly trafficked inexplosive ammunition component. The government has not told us how it thinks anyone can make an explosive from an inexplosive ammunition component. The definition in the act states "inexplosive ammunition component" means any cartridge case or bullet, or any projectile that is used in a firearm as defined in section 2 of the criminal code.

Even the government's own definition clearly demonstrates that no one could possibly make an explosive out of inexplosive ammunition components. I would like to propose at the appropriate time that an amendment be made to remove all references to inexplosive ammunition components from the proposed amendments to the explosives act.

I also would also like to bring the attention of the House to another matter that concerns me and my constituents greatly. Farmers and dealers are examining this bill right now.

A spokesman with the explosive regulatory division, minerals and metals sector of Natural Resources Canada indicated that at this point it had only one component in mind. The component to be restricted by this act is ammonium nitrate, one of the substances used in the Oklahoma City bombing a few years also.

Presently a person can buy this product without having to show any link to the agricultural industry. The goal is that the regulations will impose tighter control on the retail sale of this product. The actual controls would be set out in proposed regulations and would need to go through the regulatory consultation process. It is clear that in the future other components may be added to the restricted list as needed.

This proposed legislation enables the government to go well beyond the parts of this bill and that causes us concern. This is enabling legislation. We do not know what regulations in future the government will bring in. These could be very harmful to farmers and dealers who deal with this particular type of fertilizer.

I would like to conclude by restating what I said at the beginning. There is nothing in the bill as it now stands that will affect the events of September 11 of last year, yet it is being used as an excuse to respond to that. I believe there is something else here that the government has not come clean on. That is why I would like to propose the amendment that I did.

● (1020)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to take part in this debate on the amendment to the amendment brought forward by the member for Rosemont—Petite-Patrie with regard to Bill C-55.

The amendment to the main motion, moved by the member for Port Moody—Coquitlam—Port Coquitlam, reads as follows, and I quote:

> this House declines to give second reading to Bill C-55, An Act to amend certain Acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety, since the Bill reflects several principles—

The amendment to the amendment proposed by the member for Rosemont—Petite-Patrie adds the following to the amendment:

> that violate human rights and freedoms, which have been denounced by the Privacy Commissioner and are—

And the amendment goes on as follows:

> unrelated to transport and government operations, rendering it impractical for the Standing Committee on Transport and Government Operations to properly consider it.

I think that the amendment to the amendment is very relevant. Members will recall that Bill C-55 replaces Bill C-42, which was withdrawn by the government. Bill C-55 was introduced on April 29, 2002. Its predecessor was withdrawn by the government following severe criticism, including by the Bloc Quebecois. We realized that a form of police state was being created. The government said that it took into account the arguments that were put forward and withdrew its bill. It seems that, with this government, bureaucrats are often the ones who make decisions for the ministers. The contents of the bill before us are strikingly similar to those of its predecessor. The bill does not confirm the claim made by the government that it really listened to arguments and made significant changes.

The government accepted the Bloc's arguments and tightened the criteria to create controlled access military zones, but it is still the minister who has the authority to designate such zones, the same minister who forgot to inform his government about the prisoners of war.

We want to focus attention on the fact that this is being entrusted to the present minister—or some future minister—who has demonstrated that he was capable of major mistakes. In the case of delineation of controlled access military zones, errors could have very significant impacts on the public. Deaths could even ensue. If the DND personnel react too quickly, if the zone is not indicated clearly, with the spirit of the law as we have it before us, justification of behaviour could mean that a wrong decision could lead to some very serious consequences. We feel that this decision ought to come from more than a single minister, who is subject to political pressures, as we know. It should be decided by a larger body.

It is, moreover, very surprising that there is no requirement of approval by the Government of Quebec. It is still not required to consent to having a controlled access military zone on its territory. Since it is the minister who decides to delineate a controlled zone, not only where there are military facilities, which is obvious, but also in a wider area, concrete practical situations can crop up which will be somewhat bizarre and potentially dangerous as well.

In Quebec City, for instance, the Armories are about 150 metres away from the Parliament. What the minister could decide, if the agreement of Quebec is not required, strikes me as unacceptable. If the minister is justified in creating such a zone, there must be a reasonable agreement with the province that this can be done. We are not disputing the necessity of having secure military zones, but the powers given the minister in this bill are too broad. What is more, the agreement of the Government of Quebec, or of any other province if that province were involved, is not required. This strikes us as a shortcoming in the bill.

The "reasonably necessary" criterion for the size of these zones is not really changed. It remains highly discretionary. What does "reasonably necessary" mean? Can the minister decide that, for him, in light of a given event, it has suddenly become reasonable to extend the military zone, and then 24 hours later will come the realization that the problem was not of such a broad scope?

I think that a lot of room is being left for interpretation. We have proof that the present government needs specific and clearly set out rules, rather than a degree of leeway that it would use inappropriately.

Also noteworthy is the fact that people who have been wronged by the designation of a military zone or the implementation of measures to enforce the designation cannot take legal action for loss, damage or injury. If the designation of a military zone by the minister or action taken by the army causes some of our fellow citizens to be wronged, there is no legal recourse available to them. That can put our troops in a state of mind that might have a negative impact on the people living around these military zones.

● (1025)

When troops know that they have overarching rights and powers and that the State will not have to compensate for any damage they could cause, they might take some action that could be considered unacceptable later on. Then, when the time comes to right some wrongs and to compensate, it will not be possible. This is in violation of one of our basic human rights.

In other words, the government should be held accountable for any unacceptable action taken by the military and pay the price. Much more reasonable behaviour would then be expected.

The reasons behind thedesignation of military security zones, namely theprotection of international relations or national defence or security, were stipulated in Bill C-42 but are not mentioned in Bill C-55.

We are left to believe that any reason is good enough, although Bill C-42 had identified reasons that could be deemed acceptable or not. The government told us it had consulted the people and taken into account their concerns, but what we have here says otherwise.

No specific reason has to be given pursuant to this bill; "any reasonable grounds" is good enough. The minister is given more latitude, not less, which is also totally unacceptable.

The bill still contains provisions under which different ministers, and in one case government officials, may make interim orders. There are two changes. They deal with the tabling of orders in parliament within 15 days, and provide a shorter period, 45 days instead of 90, during which interim orders are in force without cabinet approval.

An important deficiency in this bill is the lack of advance verification for consistency with the charter and the enabling legislation by the Clerk of the Privy Council.

With everything I have mentioned since the beginning of my remarks, we can conclude that it is pretty much an open bar, and the minister can do pretty much what he wants. They saw to it that there would be no cost for the government if a mistake were made and that they could justify actions and interim orders without having to ensure they were consistent with the charter.

Because of what happened in the past in Quebec, we have deep concerns. We want to be sure the army will not be able to march in and take actions that are not consistent with the charter, with very serious consequences that could not be repaired. We would end up in a situation where citizens have no right of appeal. This is totally unacceptable.

Bill C-55 would allow two other stakeholders to obtain information about passengers directly from air carriers and operators of reservation systems. They are the commissioner of the RCMP and the director of CSIS.

This information may be provided for two reasons; if there are imminent threats against transportation security, and to identify individuals for whom a warrant has been issued. I believe this provision should be narrowed. It says that the information required by the RCMP and CSIS "must be destroyed within seven days after it is provided or disclosed".

However, when we look at the calendar of an emergency situation, during these seven days, this material may be used in many ways. The government should ensure that it is not establishing the equivalent of a police state. It is not the practice in Quebec and in Canada to have people checking our identity on every street corner. I think we must be careful in this regard.

In conclusion, I believe that the amendment moved by the hon. member for Rosemont—Petite-Patrie is very relevant. Indeed, Bill C-55 must not be passed as it stands. Moreover, it must not be passed because it contains several principles that go against human rights and freedoms, principles that were condemned by the privacy commissioner, Mr. Radwanski, someone who is close to the Liberal government, who was appointed and who has since expressed major reservations about Bill C-55.

I think the government should take this into consideration. We need meaningful amendments. If we want the bill to be acceptable some day, indepth changes must be made. As it stands, it is unacceptable, in my view. I intend to vote against the bill, and I will vote in favour of the amendment to the amendment moved by the member for Rosemont—Petite-Patrie.

● (1030)

[*English*]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, it is always a pleasure to rise and speak in the House of Commons. Today we are dealing with an important matter, Bill C-55, which the government introduced late last month.

This is an improved package of public safety initiatives. They are in support of the government's anti-terrorism plan. The bill that is under discussion today known as the public safety act, 2002 replaces Bill C-42 which was introduced in the wake of September 11 last year. The government sat on it for more than four months and then dropped it quietly from the order paper and came back with Bill C-55 on April 29.

It will come as no surprise to people who follow politics and know the proud history of the New Democratic Party when it comes to standing up and speaking out for civil liberties. We will be opposing Bill C-55 vigorously because it amounts to nothing short of a sneak attack on human rights and gives virtually Orwellian powers to certain federal cabinet ministers, particularly the Minister of Transport.

We are appalled at the powers the government wants to give itself to spy on passenger lists of people travelling on our airplanes to domestic and foreign destinations. The government introduced the anti-terrorism Bill C-42 and it was widely criticized at that time as being too draconian and dangerous to the freedom and liberty of Canadian citizens. That may have been why the government did not proceed with it.

We do not know that but the new version has not been improved. It is still heavy-handed. Some people have said it is draconian and that is unfortunate. It is understandable when bills are formulated quickly with a knee-jerk reaction in the aftermath of a tragedy like September 11. However, having given time to reflect it is unworthy for this to come back in this sleight of hand way.

It is not just New Democrats who are speaking out. The privacy commissioner has deep concerns about the legislation, so much so that he took the relatively extraordinary step of releasing publicly the letter that he wrote to the transport minister on the topic and he was dealing specifically with clause 4.82. His concern was that the bill's provisions could fundamentally and unnecessarily alter the balance between individuals and the state that exists and should exist in a free society such as Canada's.

In other words, what he was saying was that he feared deeply for the privacy and civil rights of Canadians. The privacy commissioner is not alone in his concerns. There is a backbench Liberal that irrespective of party policies all of us listen to with great interest. The member for Mount Royal, a prominent civil rights lawyer, says the bill gives undue power to cabinet ministers over the civil liberty of Canadians and he too has expressed his deep concerns. The privacy commissioner, Mr. Radwanski, has called on the government to go slow on the legislation because of its importance and its ability to invade the privacy of Canadians.

The New Democratic Party is making the same call for caution and prudence in the protection of civil liberties just as its predecessors did when the War Measures Act was introduced in this Chamber some 32 years ago. People like Tommy Douglas and David Lewis stood up and spoke out against what was a heavy-handed piece of legislation. That was at a time of emergency. This is on reflection and it is unworthy of the government to proceed in this way on this bill at this time.

● (1035)

It has waited for months to introduce the bill and now all of a sudden we are told that we must rush this through the House of Commons. We must get it through before the House adjourns for the summer recess probably in about a month's time. What is the rush? Where has the government been since September 11 when the bill was introduced in November and then sat for four and a half months?

Since then we have been dealing with relatively miniscule items. All members are seized with the fact that we have not been overwhelmed with heavy-duty legislation. There was ample time to come back and discuss this. Now all of a sudden after months of inaction we get the bill and we get the charge that we must rush it through in short order without ample consideration.

The New Democratic Party believes that it is our duty as parliamentarians to give the legislation the kind and depth of scrutiny that it deserves and requires. We are asking the questions that Canadians want answered, and in doing so we want to give them time to hone in on exactly what the government is doing with Bill C-55.

We oppose the legislation. We call upon the government to reconsider the tight timeframe that is indicated and give us the space necessary to consult Canadians and parliamentarians on Bill C-55. Perhaps a way that this could be done, that would give it the in depth scrutiny it deserves, would be to have a special subcommittee of justice, or perhaps transport if that is the case. A group of experienced politicians could look specifically at the legislation in depth, deal with it and bring it back modified to protect the civil liberties that we are concerned about here, particularly with airline passengers.

I want to read into the record some of the comments that Mr. Radwanski made in his extraordinarily transparent letter to the Minister of Transport regarding any initiative that would infringe on the privacy rights. He talked about four criteria:

> It must be demonstrably necessary to address a specific problem or need. It must be demonstrably likely to be effective in addressing that problem or need. The limitation of privacy rights must be proportional to the security benefit to be derived.

After studying that with care Mr. Radwanski concluded that this particular bill did not meet that criteria. He ends by asking in his open letter to the Minister of Transport the following question:

> What considerations lead you to the view that this very serious limitation on privacy rights would be proportional to the benefits to be derived?

The privacy commissioner is signaling to members of parliament on all sides of the House that we need to be extremely concerned about this piece of legislation. We cannot rush it through the House in the dying days of the parliamentary session. We must give it the time and serious reflection that it needs and deserves. That is why we are calling upon the government to amend its decision, perhaps send it to a committee, and not deal with it in this last moment rush before the House rises for the summer.

● (1040)

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. Following consultations among the parties I believe you would find unanimous consent for the following motion. I move

> That the motion for second reading of Bill C-55 be amended by deleting the words "the Standing Committee on Transport and Government Operations" and by substituting therefor the words "a legislative committee".

The Acting Speaker (Mr. Bélair): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I am pleased to address the amendment to the amendment on second reading of Bill C-55. I will follow up on the comments made by the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques. Incidentally, the name of his riding has two letters more than mine. Sometimes, people criticize me because the name of my riding is very long. I wish to congratulate my colleague for having held the employment insurance horror show, yesterday.

Let me explain how I want to address Bill C-55. The horror show I have just mentioned showed us how workers, particularly those who are unemployed, are the victims of injustices, including those that relate to the federal parental leave, to the older unemployed who have been forgotten by the federal government, to the plundering of the EI fund surplus, and to seasonal workers, who are the victims of the latest reform. I am using this analogy and these examples of injustices simply as an introduction to Bill C-55 as a whole.

It is very ironic to see that, 20 years ago, this government, this same party, unilaterally patriated the Constitution, under Prime Minister Pierre Elliott Trudeau and the current Prime Minister, who was then his principal adviser, henchman and Minister of Justice. We saw him sign, with the Queen, the unilateral patriation of the Constitution. On April 17, in reference to this sad event for Quebecers, the government, and particularly the Minister of Intergovernmental Affairs, only alluded to one aspect of this event.

They only talked about the fact that this unilateral patriation gave Canada a charter of rights and freedoms. Sure, it gave us a charter of rights and freedoms, but they tried to fool us by using this a smokescreen, as a beekeeper does when he sprays some kind of a smokescreen to numb his bees while he collects the honey they produced.

So, the Minister of Intergovernmental Affairs tried to numb us with this smokescreen by saying that, on April 17, 1982, Canada adopted a charter of rights and freedoms, but he refrained from alluding to the unilateral patriation of the Constitution.

It is ironic to see that this government, which is boasting about the fact that it gave Canada a charter of rights and freedoms, is taking advantage of this to introduce Bill C-55

Bill C-55 is a modified version of Bill C-42, nothing more, nothing less—sort of like "new" Coke. Thanks to the work of the Bloc Quebecois and other parties in the House, including some members of the Liberal caucus whom we must commend—and I say this in a non-partisan way—the government was told by its caucus that there were problems with Bill C-42.

As a result, the government stepped back, withdrew the bill and told justice officials to redo their homework in order to come up with a modified product, a substitute, which is Bill C-55

● (1045)

I would remind the government that Bill C-55 is no better than Bill C-42. Once again, within government benches, within the Liberal caucus, progressive voices are saying that Bill C-55 goes much too far in terms of restricting rights and freedoms. Thus the irony on the occasion of the 20th anniversary of the charter of rights and freedoms.

The members of the Bloc Quebecois believe that Bill C-55 continues to pose a threat to citizens' rights and freedoms. For this reason, it is our opinion that the bill absolutely must be amended to require that the government of Quebec and the governments of the provinces give their consent before a controlled access military zone can be declared on their territory. This is not just another virtual invasion; it is a physical invasion that the government could carry out using national security as an excuse. Under the pretext of terrorist threats, it could declare controlled access military zones.

For example, at the next G-8 summit, to be held in Kananaskis, Alberta, the government intends to create a controlled access military zone. Earlier, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques quite rightly mentioned this. I would like to take this opportunity to repeat that the Armoury and the Citadel are located within Quebec City. A short distance away on the northwestern edge of the city lies the Valcartier military base. There are also other examples of military bases.

As members know, I come from the Saguenay, a region of which I am very proud. All my relatives still live there. My colleague from Jonquière worked very hard on the file concerning Russian MOX which was to go through the Bagotville base. This base plays an important role in North-American defence within NORAD.

This means that because the Bagotville military base is located in the Saguenay—Lac-Saint-Jean area, the entire area could be designated a restricted access military zone, a controlled access military zone. This is ridiculous.

One person, the Minister of National Defence, is being given powers that are much too broad. I am leaving aside the actual personality of this minister.

I see that you are getting ready to warn me, Mr. Speaker. You look like you are not going to allow me to speak about this for very long. I well recall that we heard from the Minister of National Defence at the Standing Committee on Procedure and House Affairs regarding his knowledge of the fact that the Americans had taken prisoners of war. The military and senior officials were not particularly full of praise about the ability of the present incumbent of the Defence portfolio, about his mental alertness. As they say, he was asleep at the switch for seven or eight days, our Minister of National Defence.

We will rise above the fray and leave aside the man's personality. Is it acceptable, reasonable, normal, in 2002 to agree to put so much power in the hands of one person? This is what Bill C-55 does. It gives the Minister of National Defence incredible powers.

● (1050)

An example of an entire region that could be designated a controlled access military zone is Quebec City, because the Citadel or the Armoury could be controlled access military zones.

For all these reasons, Bloc Quebecois members support the amendment to the amendment put forward by the member for Rosemont—Petite-Patrie and are unable to vote in favour of Bill C-55 as it now stands.

[*English*]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, there are essentially three parts to Bill C-55. First, the most innocuous part relates to the Aeronautics Act and certain amendments to the National Defence Act respecting reservists. These proposals can easily be separated from the rest of the bill and are worthy of serious consideration in committee.

Second, the bill seeks to give ministers emergency powers including military powers which the government already possesses in the law under the Emergencies Act. The law already gives ministers the power to act against terrorism or in other emergencies. The only difference is that the existing legislation lets parliament stop abuses of that power and Bill C-55 would put no restraint on abuse by ministers of the government. The bill is not about fighting the threat of terrorists. It is about enlarging the power of the government to act arbitrarily.

Third, the bill seeks to remove parliamentary control. That is new. It is the most insidious and dangerous part of Bill C-55. It would take away the existing ability of parliament to review, amend or revoke emergency measures which ministers might take. The Emergencies Act, the existing law, specifically spells out the powers of parliament: the power to review; the power to amend; and the power to revoke. The existing law, the Emergencies Act, respects the principles of a free parliamentary democracy. Bill C-55 would violate those principles.

[*Translation*]

We were faced with a similar legislation in the past. It was the War Measures Act. That legislation gave the government power to act in an arbitrary way, without any constraint. History has shown that the Liberal government of the time, of which the current Prime Minister was a member, abused these powers. Invoking the War Measures Act, they threw people in prison without reasonable motives, without verification and, in too many cases, without reason.

● (1055)

[*English*]

Because of that abuse the War Measures Act was finally withdrawn in 1988 and replaced by the Emergencies Act. The major change was to establish the ultimate power of parliament and limit the arbitrary power of government. That protected the public interest against both the threat of terror and the threat of arbitrary action and abuse. Bill C-55 would throw away the protections of our free system and drag Canada back to the arbitrary powers of the War Measures Act.

I invite members of the House to look at the law that already exists. Section 3 of the Emergencies Act defines a national emergency as:

> —an urgent and critical situation of a temporary nature that
>
> (*a*) seriously endangers the lives, health or safety of Canadians...or
>
> (*b*) seriously threatens the ability of the Government of Canada to preserve the sovereignty, security and territorial integrity of Canada—

That is in the law that already is in effect. Section 16 of the existing law says a public order emergency:

> —means an emergency that arises from threats to the security of Canada and that is so serious as to be a national emergency—

That covers each of the threats referred to in Bill C-55.

The power being sought already exists in the law of the land. It is there to deal with critical situations of a temporary nature. How long is temporary under the existing law? It is from one to four months. That is long enough. It can be extended under the law by bringing it before parliament.

Under the existing law, the Emergencies Act, a declaration of emergency is effective the day it is declared and it goes to parliament within seven days. Sections 57 and 58 of the existing law clearly outline the procedure for parliamentary supervision. Section 59 of the existing law outlines the manner in which a declaration of emergency is revoked by parliament if it is bad or dangerous. Each time the government wants to extend a declaration of emergency under the existing law, a law the government wants to put aside, it must lay before each house a motion either amending or extending the original order.

The Emergencies Act provides for orders and regulations that might have to be issued. In subsection 61(1) of the existing law, the law under which we act now and under which the government is empowered to respond to emergencies like terror, there is the following. It states:

> —every order or regulation made by the Governor in Council pursuant to this Act shall be laid before each House of Parliament within two sitting days after it is made.

Every order comes here to be reviewed, revoked or scrutinized. We have the power to deal with it here under the law which exists, a law the government is trying to take off the books and replace with this dangerous, draconian and secretive piece of legislation.

Some orders are confidential. That is fine. The existing law provides a means to keep classified orders confidential but it also provides a parliamentary oversight that guarantees that kind of confidentiality. Those are the matters the present government wants to keep absolutely secret under Bill C-55.

Let us look again at the law we already have, a law the government is trying to get rid of, a law that gives power to parliament and to the people. Subsection 61(2) of the Emergencies Act states:

> Where an order or regulation...is exempted from publication in the Canada Gazette by regulations made under the Statutory Instruments Act, the order or regulation...shall be referred to the Parliamentary Review Committee within two days after it is made—

That is a committee bound by an oath of secrecy.

The Emergencies Act is in force. It has not been struck down. Why then does the government want to enact another law that would provide the same powers to its ministers? It is simple. The only difference between the existing Emergencies Act and the power grab version the government calls Bill C-55 is that the Emergencies Act renders the government accountable to parliament while Bill C-55 would circumvent parliament totally.

● (1100)

Under the existing act, all emergency measures taken by ministers must be authorized by parliament. There is even the power to revoke or amend such measures. That is not the case with Bill C-55. Parliament has no say at all under the new bill. Bill C-55 would make parliament irrelevant at a time of emergency. It would leave the rights of Canadian citizens unprotected.

There is another invitation to abuse in Bill C-55. The interim order sections in the new bill are exempt from sections 3, 5 and 11 of the Statutory Instruments Act. That means it is exempt from examination by the Clerk of the Privy Council and the deputy minister of justice to ensure that "It does not constitute an unusual or unexpected use of the authority to which it is to be made" and "It does not trespass unduly on existing rights and freedoms and is not in any case inconsistent with the purposes and provisions of the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights". That is the law that exists.

The new bill would trample on the basic rights and freedoms of Canadians that are constitutionally guaranteed and it would trample upon them at the whim of a minister with virtually no checks and balances on that power.

[*Translation*]

The Prime Minister has adopted a very cavalier attitude, as far as the violation of the charter and the limitation of Canadians' rights are concerned. He is telling parliament to go ahead and pass a bad bill. Parliament can ignore the charter because, and I quote the Prime Minister:

> The courts will determine if certain provisions are illegal. That is how the system works.

That is not how the system should work.

[*English*]

Terrorism presents a real threat to the fundamental freedoms of Canadians. We need to be prepared. We need to recognize that in an age of terror governments can sometimes act in extraordinary ways, but we must also always be conscious of the other threats to freedom: the threat of arbitrary action and the threat of abuse of power. The bill adds materially to those threats to freedom by authorizing the government to act arbitrarily without scrutiny or control, yet it adds virtually nothing to Canada's ability to fight the threat of terrorism. We have those powers already. We have them in a form that protects against abuse. We should use the law we already have. We should not return to the dark age of the War Measures Act.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I am pleased to have another opportunity to speak to Bill C-55 to reiterate some of the concerns I have. One of those concerns, which does dovetail with something that was just mentioned by the member for Calgary Centre, but which I note was actually originally mentioned by the Bloc Quebecois, the member for Argenteuil—Papineau—Mirabel, is the whole question of the interim orders as described in this legislation giving ministers the power to issue essentially regulatory orders. Under any act, the Quarantine Act, the pest control act, the environment act and the criminal code, that basically has no check for 45 days.

One of the things the Bloc Quebecois pointed out very early on in this debate is the fact these interim orders, according to a clause in Bill C-55, would be exempt from the relevant sections in the Statutory Instruments Act. In other words, the minister would issue essentially an interim order that could have an enormous impact and it would not require scrutiny by the Privy Council Office, which is the way things are done now, and it could be allowed to stand without cabinet approval for up to 45 days. I would agree that this is a very serious aspect of the bill that needs to be examined very carefully in committee.

I will say, though, that I think the bill is very defensible in what it tries to do. The member for Calgary Centre has said that the Emergencies Act covers most of the contingencies that might be contemplated by Bill C-55. There I would disagree, because I note that these interim orders do not speak of a national emergency. They speak of a situation of significant risk. That is quite different from what is contemplated in the Emergencies Act, which would be a state of war or a state of attack, the use of a nuclear weapon and that kind of thing.

What Bill C-55 addresses, and why these interim orders, I presume, are seen to be necessary, is a limited terrorist attack, if you will. I will just focus on one type of scenario that I think justifies what is attempted in Bill C-55, even if we do not agree with the means as we see before us.

The world has changed very significantly just in the last year with the realization that Canada, the United States and other western countries are vulnerable to a limited biological or chemical terrorist attack. We would have here, just as an example, that an interim order could be issued with respect to the Quarantine Act.

If we go to the Quarantine Act, we can see where the reasoning is coming from. It is that if there were a suspected limited attack, say on a city or wherever else, we would want the appropriate minister to be able to activate as quickly as possible whatever measures he or she deems necessary to contain the consequences of the attack. I think a biological attack is probably the most dangerous and the most difficult to really put our finger on, to even know that we are being attacked, so I think very rightly the government wants to provide means for a very quick response. That very quick response could involve the quarantining of an area and actually blocking it off so that whatever the problem is does not spread. It could require the shutting down of certain public services and it could require the imposition, the forcing of people to submit to medical examination.

These powers are very profound because they would interfere, we would all agree, with some of our fundamental civil liberties, but I think that in the kind of limited emergency that is now contemplated as a result of September 11 and, more precisely, the growth of international terrorism, also fueled, if I may so, by the Internet, it is now possible for terrorists to communicate over the Internet and get information over the Internet that was previously unavailable, so the world has become a significantly more dangerous place for limited attack.

● (1105)

I support the intention of the legislation. I support the intention of the interim orders. Where I have difficulty is that I think the interim orders, as was mentioned by members of the Bloc Quebecois, the member on our side from Mount Royal and now the member for Calgary Centre, are too wide open as they sit right now. I think when the bill goes to committee we will have to examine very carefully how narrowly we want to limit those emergency orders.

My own feeling is that they should be limited to no more than, say, five days. I would think that is a sufficient length of time for a prompt emergency response to a significant risk situation, whether it is biological, chemical or any other kind of terrorist attack. That would give time for the governor in council to kick in and to look over the order that has been issued by the minister.

It would also give time for the Privy Council Office to oversee it as well because we have to remember that in the Privy Council Office, even though as a member of parliament I sometimes get annoyed with what I feel is the constant finger of the bureaucracy on what we try to accomplish here, the reality is that there is an awful lot of collective wisdom in the senior levels, not only in departments like the solicitor general or Health Canada but also in the Privy Council Office. I would not like to see the senior bureaucracy cut out of the loop when Canada finds itself in a limited temporary emergency.

I would also say, though, that I would agree with the member for Calgary Centre that we should look very carefully at and make comparisons with Bill C-55 and the Emergencies Act. I would hope the committee would very, very carefully scrutinize the powers that are contained in Bill C-55. If there are instances where there is a broader question where a significant risk as defined in Bill C-55 really constitutes a broader emergency, then perhaps it should belong under the Emergencies Act. I think it is very necessary for the appropriate committee to compare very closely the reach of the Emergencies Act versus the intent of Bill C-55 in responding to what could be limited risk situations but very profound risks.

I would say that it is no coincidence that Bill C-55 also has provision for Canada ratifying the biological and toxin weapons convention. This, shall we say, is the name of the kind of threat that we have to maturely consider as parliamentarians, always mindful that we must not overreact to the national security or the public safety issues, because I think we would all agree that any limitations on civil liberties have to be very closely and carefully defined because the terrorists will win if we over-respond to these threats. We have to be very careful. I would say this affects all of parliament. I feel I am very much on both sides of the House on this issue. I think as MPs we have to find the most careful balance and set aside partisan considerations as we consider the bill.

Finally, in that context, I think the requirement to look at the passenger manifests of aircraft again reflects a reality that we can no longer ignore, but I point out that in this legislation it is very well defined. Parliament is authorizing the examination of passenger manifests only on aircraft, so I submit that this is not an extension into other areas of society. This is a very narrowly defined extension.

● (1110)

It is unfortunate but we are moving into a very difficult and frightening world. While I support what the government is trying to do here, the bill really needs to be examined closely in committee, particularly in the area of the interim orders.

[*Translation*]

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, I believe it is important to take part in this debate. I believe it is important to support the Bloc Quebecois' amendment to the amendment, which says:

> this House declines to give second reading to Bill C-55—

The amendment to the amendment adds that the bill contains several principles:

> —that violate human rights and freedoms, which have been denounced by the Privacy Commissioner—

First, I would like to point out the excellent job my colleague from Argenteuil—Papineau—Mirabel did of presenting the Bloc's position on Bill C-55.

He was very forceful while pointing to the fact that, by amending Bill C-42, the government had in part accepted the arguments presented by the Bloc, arguments which at first were made fun of by people who said that the Bloc was exaggerating.

We are happy to see that some of those arguments have been listened to. However, with regard to many other parts of this bill, not only have our arguments not been listened to, but the bill contains new elements that raise very serious concerns.

I will quickly remind our listeners, as my colleague did earlier, that this bill is made up of three main parts. I hope it will never become law. I hope also that every government member, including the ministers, will hear not only the various accents on this side of the House, but also the thrust of what is being said.

I would like to start by reminding the House that my colleague from Argenteuil—Papineau—Mirabel said that, in dealing with terrorism, there is no worse way of preventing such attacks than depriving us of our rights and freedoms.

What makes a democratic society strong is democracy. What makes a democratic society strong is respect for rights and freedoms, and citizens co-operating to insure proper respect for rights and freedoms, since they belong to every single one of us.

As I was saying, this bill is made up of three parts. The first one deals with interim orders; it has been vigorously condemned by the member for Calgary Centre. It gives certain ministers the power to make interim orders, a power we do not need, a power that does not make any sense, is not necessary and deprives the House of the capacity to be made aware of the reasons for such an interim order. These unlimited powers can be in effect for 45 days.

The second element of the bill deals with the famous issue of controlled access military zones. On this, we are quite clear, and we have been from the outset. Provincial governments, the Government of Quebec must be consulted before any of these zones are established.

Let us not forget that until now, the prevailing rule has been that military intervention is only undertaken when requested by a provincial attorney general. Therefore, we must not take advantage of the current situation to grant powers that violate the current constitutional rules.

The third element deals with privacy issues. This is what I would like to speak to. The first speech, made May 1, outlined the fears of the privacy commissioner, Mr. George Radwanski.

On May 7, he not only wrote the Minister of Transport, but made his letter public.

● (1115)

Here is what he wrote, and I quote:

> My hope had been to avoid unnecessary public controversy by working together cooperatively, as had been the case with Bills C-44 and C-42. I regret that you have declined to take this course.
>
> As you know, I have stated repeatedly since September 11 that I would never seek, as Privacy Commissioner, to stand in the way of any appropriate initiatives to enhance public security against terrorism, even if they entail some limitation of privacy rights. I have also stated, however, that the burden of proof must always rest with those who propose some new limitation on a fundamental human right such as privacy.

I remind the House that these are the words of Privacy Commissioner of Canada.

He goes on to say that in order to meet that burden of proof, he proposes four criteria. The first criterion is that the measure must be necessary; the second, it must be effective; the third criterion is that it must be proportional to the security benefit to be derived; and the fourth is that there must be no other, less invasive means to achieve the same objective.These are the four criteria that he set out. He then continues with real questions.

It must be noted that this bill gives the minister the authority to require any air carrier to provide information set out in the schedule. At this time, there are 34 elements, but it says that others could be added by the governor in council. Carriers are thus required to provide information that is in their control or that comes into their control within 30 days.

Not only is the carrier required to provide this information, the nature of which we know in part but not totally because other elements could be added, but there is a list of people within the government who, once they have the information, could disclose it to others. This is where it gets really scary.

I will now read section 4.82 found in the bill, which I am allowed to do.

> A person designated under subsection (2) or (3) may disclose information referred to in subsection (7) to the Minister, the Canadian Air Transport Security Authority, any peace officer, any employee of the Canadian Security Intelligence Service, any air carrier or operator of an aerodrome...if the designated person has reason to believe that the information is relevant to transportation security. Any information disclosed to the Canadian Air Transport Security Authority or to an air carrier or operator of an aerodrome or other aviation facility under this subsection must also be disclosed to the Minister.

This information is disclosed to the RCMP or CSIS.

It is obvious that this kind of invasion of privacy to fight terrorism is unnecessary. It is very abusive. Therefore, it seems urgent to me that the government agree to work with the commissioner and accept to curb its appetite.

I just heard a member on the other side of the House say that these requests would be restricted to air travelers. Come on. There could be other acts. The fact that a person travels by plane does not mean that—

● (1120)

Mr. André Harvey: Mr. Speaker, I rise on a point of order. Since my colleague is usually not one to exaggerate too much, I would like to let her know that among the excerpts from the commissioner's letter that she quoted, there might be one that she would accept to add to her list. This is what it is, strictly to keep the debate going—

The Acting Speaker (Mr. Bélair): This is debate, not a point of order. The hon. member for Mercier.

Ms. Francine Lalonde: Mr. Speaker, if the member opposite was surprised by what I said, let me tell him that I was not surprised by what he just said. He wants to stop my final sprint, but the most important points have already been made.

As it stands, this bill is not acceptable. The government must once again go back to the drawing board. We agree with the fight against terrorism, but we do not agree with these unacceptable intrusions, which are a threat to democracy and rights and freedoms.

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to have this opportunity to participate in the debate on Bill C-55 and to express again the grave reservations of the federal NDP caucus in the House with respect to the purpose and intentions of this bill. I believe that these are reservations shared by many Canadians, certainly those who deal on an ongoing basis with upholding the rights of Canadians and our fundamental liberties which are cherished and for which we have fought long and hard.

All of us in the House are clearly interested in finding the appropriate balance between countering the threat of terrorism and upholding the rights and liberties of Canadians.

It is that balance that is in question today. It would appear to us that Bill C-55 tips the balance away from the whole question of ensuring that the rights and liberties of Canadians are not threatened and put aside in the pursuit of anti-terrorist measures for which there may not necessarily be a reason to believe they are helpful to the situation at hand.

All of us are interested in ensuring that our government has the means to address terrorist attacks and to respond to terrorist threats. That is a given.

Some parts of this bill certainly are important in that regard. I want to acknowledge that the government has addressed an important issued raised by many across the country, particularly provincial governments, ensuring that there are comprehensive parameters for terrorist hoaxes. It is very important to have provisions in the bill to counter such hoaxes which create havoc in the lives of Canadians.

There are other provisions obviously that are worthy of merit and consideration. However on balance it would appear that the bill goes far beyond that objective of achieving a balance which is so near and dear to the hearts of Canadians. That causes a great deal of concern on the part of many parliamentarians and Canadians.

I have four concerns that I want to raise briefly. They have been touched on by my colleagues, the member for Winnipeg—Transcona and the member for Churchill. I want to reiterate those concerns and express again our belief that the bill must be thoroughly reviewed and amended at the committee stage.

First, let us be clear that the bill gives extraordinary power to cabinet ministers. It subverts the parliamentary process in the interests of giving cabinet ministers free reign to make decisions without being accountable to parliament and without being open for scrutiny by the public at large.

Any government that asks for that kind of power to make that kind of legislative proposal has to set off alarm bells all over this place. Our question today is: Is it necessary to give that kind of broad reaching power to cabinet ministers and to what end? It would seem to me that the final goal, the end product with this kind of legislation, is not defined and there is no basis to lead us to believe that cabinet should be given those kinds of powers. Cabinet should not be given the right to subvert the parliamentary process, the democratic process and the rights and freedoms of individual Canadians.

Why give cabinet that kind of power, if there is no goal in sight that justifies that kind of subversion of democracy and the parliamentary process? It would seem to lead us to one of two options in terms of understanding the government's position. Perhaps the government is intent on just simply creating the illusion to Canadians that it is standing up tough to terrorism and is prepared to act on the threat of any kind of terrorist activity without really taking the necessary measures.

● (1125)

That is one option. Is this an exercise of illusory politics, is it about smoke and mirrors? That is a question that has to be addressed in this place.

Is the government using this very difficult time in the history of Canadians to actually advance an agenda to make changes that otherwise would not be acceptable? Is the government using the threat of terrorism to make changes in our laws and our responsibilities in this place that would not normally be tolerated? We very much question the delegation of responsibility to cabinet ministers to make decisions beyond the reach of parliament and outside the scrutiny of this place.

The second concern is with respect to the controlled access military zones. We hope this will be dealt with at committee. Our concern is whether or not this is an attempt to disallow peaceful protests when Canadians are outraged and upset with decisions made by the government and in response to international developments. Is this a way for the government to trample basic human rights under a legitimate law?

The third concern, which has been raised over and over again, is with respect to privacy and the questionable provisions in the bill to allow the government to give the RCMP and CSIS unrestricted access to the personal information of air travellers. The privacy commissioner, Mr. George Radwanski, has raised very critical questions in that regard. He has questioned the necessity of the government to resort to these kinds of provisions. He has also questioned the effectiveness of this legislative proposal.

The final point I want to make is whether the government is truly addressing the threat of terrorism in a meaningful way. Are we not skirting the issue and avoiding the difficult issues at hand? I would suggest the answer is absolutely, yes.

On all the key issues around preparedness for a bioterrorist attack or any kind of terrorist threat, the government has refused to actually designate and allocate the resources and establish the programs necessary to ensure that all of our frontline responders are able to move quickly and immediately on any terrorist threat.

That point was made loudly and clearly a couple of weeks ago by the firefighters when they were here on the Hill. They had one very simple request. That was for the government to allocate a mere $500,000 toward their ability to train frontline responders, firefighters, paramedics and police officers in the event of any kind of bioterrorist attack.

With all the money put on the table, the government made a great fanfare with respect to a budgetary provision to ensure that Canada was ready and able to respond where necessary. When it comes down to it however, each and every time the government refuses to put its money where its mouth is or to respect the fundamental needs in our communities today to be ready and able to respond immediately.

We could be talking about health care and the allocation of funds to emergency hospitals right across the country for a co-ordinated response to any kind of threat. We could be talking about firefighters and their simple request for a $500,000 annual allocation to train firefighters. We could be talking about ensuring that all frontline responders, firefighters, paramedics and police officers are equipped, trained and prepared to respond on a co-ordinated basis in the event of an emergency. The government fails each and every time.

I put that in the context of the bill. Is the purpose of the bill really to create the illusion of responding to a very critical issue while not really addressing it in any meaningful way? Is the government using a climate of fear to advance an agenda that gives it enormous powers that would not otherwise be acceptable?

These questions must be addressed by the committee. They must be discussed very seriously. This legislation is setting a precedent. This bill gives enormous powers to unelected people, to cabinet ministers, who do not have to report to parliament.

● (1130)

We are at risk of subordinating the fundamental cherished rights and freedoms of Canadians and subverting the parliamentary democratic process.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, it is extremely important for me to speak to Bill C-55 today.

To begin with, like my colleague from Mercier, I am opposed to Bill C-55 though I will support the amendment to amendment moved by the member for Rosemont—Petite-Patrie, which says:

> —the bill reflects several principles that violate human rights and freedoms, which have been denounced by the Privacy Commissioner and are unrelated to transport and government operations, rendering it impracticable for the Standing Committee on Transport and Government Operations to properly consider it.

I would like to raise several points. Although I do not have time to deal with all of them, I will list a few.

Who has the power under this bill? What is the meaning of "designation, delimitation of a controlled access zone"? There is also the question of rights and freedoms. Where is the consultation process at, as well as access to passengers lists? I will deal with all these issues.

Mr. Speaker, every time you are in the chair I say to you that I come from the most beautiful area of Canada, Saguenay—Lac-Saint-Jean. Canadian Forces Base Bagotville, which is affiliated to NORAD, is located there. My house is 15 kilometers from the military base. It is a short distance.

One day, will the minister having all the powers to designate a controlled access military zone be able to include my house in that perimeter without my being informed? Will it be the same for everyone who live around Canadian Forces Base Bagotville? Laterrière and Jonquière are located very close to it.

I will be able to do things within the zone, but I will not be aware of doing so inside a controlled access military zone. I will not have the right to pursue legal remedies. It would be up to the minister or to the President of the Treasury Board to decide if I have the right to do so.

This is unconscionable. We are in 2002. We do not live in a totalitarian state. As the Liberals often like to say, we are in Canada and we have the Canadian Charter of Rights and Freedoms. They recently celebrated the anniversary of the Canadian Charter of Rights and Freedoms. With this bill, they are disregarding all the fine principles of the Access to Information Act; it is as though they had taken the charter, folded it up and shoved it into a drawer. The minister is saying, "It is I, the Minister of National Defence, who will determine what you will have access to from now on."

First, the House considered Bill C-42. There was a general outcry about that bill, especially on the part of the Bloc Quebecois and the opposition parties. Everybody said that the bill made no sense whatsoever. We thought this government had listened, that it had understood the objections to Bill C-42.

When the government introduced Bill C-55, we were sure this legislation would show that it had really understood. But now we see that Bill C-55 is even worse than the previous one, because it goes against the Canadian Charter of Rights and Freedoms. It provides for the creation of controlled access military zones without any notice being given to the people living within the perimeter of the zone.

Tomorrow, I will take the plane to go back to my riding. Under this new legislation, if the governor in council, the RCMP or CSIS wanted to see the passenger list, the airlines would be compelled to give it to them, together with 34 other elements, and any further element the minister may require, at his own discretion.

● (1135)

This means that I will no longer have the right to move around on my own private business. This is very much contrary to the Canadian Charter of Rights and Freedoms.

I have listened to the leader of the Progressive Conservative party's discussion of war measures. We have experience of war measures; Quebecers are the ones who were arrested. I have friends who were. Without any summons, without any right to an attorney, they were arrested. They are still marked by their experiences. They were arrested under the War Measures Act.

A colleague from the government side has said, "Certainly, there are still some question marks, There will have to be discussions. They will have to be examined in committee". Hon. members will surely remember what happened with Bill C-20 on referendum clarity. The Prime Minister and the Minister of Justice of the day claimed to be very open-minded when the bill was introduced. The minister's words at that time were, "Yes, we will be open. We will study it in committee. We will listen to witnesses and improvements will be made". We know what happened .There were no changes made. The bill was passed as introduced. They rammed it through.

The way the government is acting is unacceptable. I always say that there no democracy in Canada anymore. Today, on May 9, 2002, with Bill C-55, I think that this government is giving itself disproportionate powers following the events of September 11.

We had laws to deal with what happened on September 11. In Canada, we had laws to fight terrorism. We only had to improve existing laws, use and enforce them. Why introduce this bill?

We know what this minister has done in the past. We are told not to talk about it, but all Quebecers and Canadians talk about it. He is the one who will be responsible for this legislation. This is serious. And he will be the only one. Parliament will not even be consulted.

Mr. Speaker, like me, you are an elected member. We represent our respective constituents, as do all members in this House, and we will not have the right to discuss what the minister will decide.

This is serious. If this is not a dictatorship, it is very close. This is why we, in the Bloc Quebecois, members from Quebec, those who defend the interests of their constituents, are saying to this government that it must withdraw this bill and go back to the drawing board.

It is not that we are opposed to protection against terrorism, as the Liberal member said. Of course, there are other approaches available today with the Internet, but we will never accept this bill as it stands. Let the government do its homework; then, we will get back to the bill.

● (1140)

[*English*]

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am pleased to speak to this issue today. I want to talk about a principle more than the details of Bill C-55, a principle that is very important to all of us; that is the power that the bill takes away from parliamentarians.

In the last few days we have seen the impact of the auditor general's report on a very specific issue that has became public. All Canadians now know about it. The reason it has become public is because the auditor general reports to parliament. If the auditor general reported only to the government and only to the Prime Minister, as does the ethics counsellor for example, we would never know about these accusations and grave concerns.

I believe the auditor general said that everything that could go wrong, did go wrong. She has called in the RCMP for an investigation. I am absolutely sure that if the auditor general only answered to the government and not to parliament, we would not have the same situation. It would be swept under the table. It would be downplayed and downgraded. The government would say, just like the ethics counsellor always has said, "Everything is just hunky-dory. There is no question, everything is great", because the ethics counsellor answers to the Prime Minister.

The ethics counsellor has a huge job with huge benefits and all kinds of aspects of the job are very beneficial to the him. He can only keep that job at the pleasure of the Prime Minister, so if the he comes out with a report that criticizes the government or the Prime Minister in any way at all, he knows he is out of a job. It is a crazy thing, but the ethics counsellor has the biggest conflict of interest than anybody.

This is the problem with Bill C-55. It transfers more powers from parliament to the government. This has been a trend of the government from the time it was elected in 1993 until now. If there ever was a clear message, it is the comparison of the auditor general this week and how effective she is in bringing questions to the public and creating public awareness about concerns and wrongdoing by either officials or the government, and I hope the investigation will shed some light on that, as opposed to the ethics counsellor who does not report to parliament.

When issues come to parliament, we do not always get our way. In fact we in opposition very seldom get our way. However we do raise public awareness on issues and bring attention to them. We bring circumstances to light. because of parliament. Canadians start to learn about these things and they send messages to government. So even though we may not win every motion in every vote in the House, which we very seldom do, the impact is profound in that it goes across the country through the media, that message comes back to government and things change. This is a really good example.

Bill C-42 was brought before the House and parliament objected to it strongly on many issues. The government retracted Bill C-42 and brought in Bill C-55. That is another really important example of how the importance of parliament. Again, we did not defeat Bill C-42, but by putting public pressure on the government and by creating public awareness of the issues, it stirred up Canadians and they spoke loudly and clearly. It was not just us, or the privacy commissioner or other officials. Canadians spoke to the government because it was raised in parliament. If had not been raised in parliament, it would have slipped through and would have missed all the checks and balances, which are a fundamental pillar of our democracy.

Anything that takes power away from parliament is a mistake. When we are in opposition, we do not have a lot of power. We cannot defeat the government on issues but we have the power to create public awareness. If that power is taken away from us as parliamentarians, then our democratic rights and our ability to hold the government accountable has definitely been weakened, taking away one of the very fundamental pillars of our democracy.

I will compare the ethics counsellor with the auditor general. The only difference is that the ethics counsellor reports to the Prime Minister, owes his job to the Prime Minister, serves at the pleasure of the Prime Minister and will probably be fired if he does not come up with reports that the Prime Minister likes, as opposed to the auditor general who reports to parliament. She is not under any conflict of interest. She has no axes to grind. She looks at the facts and makes an appropriate report.

● (1145)

Again, I hone in on how important parliament is in that case. If it were not for parliament and the fact that the auditor general reports to parliament, we would not have that report which is so critical. It may just be the tip of the iceberg. I understand that the investigation by the auditor general may go on for a year.

Bill C-55 deals with transportation issues involving security. I come back to the same story. It will not go to the transport committee, the committee that knows transportation issues even though many aspects of Bill C-55 deal directly with transportation issues. The government has refused to let it go to the transport committee because people there know about transport issues and they will know that some aspects of the bill will not work and will raise questions and public awareness. This could again create fundamental changes which could improve it.

On a bill that would impact transport so much, why will the government not let it go to the transport committee? It is simply a contempt for parliament and its committees. There is no other reason. What could possibly be the excuse for not letting a bill like this go to the transport committee?

I point out that Bill C-42 was withdrawn. That was the previous bill that was supposed to do the same thing. It was adjusted and changed because of public pressure that was raised in parliament. Parliament is the source of public awareness for many of these issues. The committees are small parliaments. They bring out the issues. They call in witnesses to identify the problems. We do not win many votes in committees but we raise public awareness which is important so that Canadians affected can call their members of parliament, whether the member is a Liberal or whatever.

It is a very important step in our democracy that these bills, motions and issues be dealt with by committees and parliament. Even the privacy commissioner has grave concerns about this. It is amazing, he even wrote a public letter which said that the bill transferred too much power to the Minister of Transport and a significant amount power transferred to police. However will it go to the transport committee? There is not a chance because we might learn something. We might find something about it and raise public awareness on an issue which the government does not want raised. That is why it is not going to committee. It puts the power in the minister's hands.

It is incredible that interim orders can be made by the minister and he does not even have to get cabinet approval for 45 days. Why would there be 45 days to get cabinet approval when cabinet can meet within 24 hours notice any time? Why not four days or two days for cabinet approval? It can be in place for a year after that.

The pillar of democracy is checks and balances. We are the checks and balances. Parliamentarians are parliament and parliamentary committees are the checks and balances for the Canadian public. We are in a place where information is made available to Canadians. It is in parliament and the committees where the people testify, whether they support something or are against it. We take both sides and try to arrive at a logical decision. However, if we deny the right of parliament to discuss these issues and deny committees the right to examine the issues, then the public is denied the information it needs to know.

Members of the public need to know whether to support the issues, or call their members of parliament to say that they do not like an certain aspect of an issue, or to comment on something somebody said at committee or whatever. If we shut down the committees and parliament, we will have lost a very fundamental pillar of our democracy.

● (1150)

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I thank you for the opportunity to debate this important bill.

You will recall that on April 29, 2002, the government tabled in this House Bill C-42, which mentioned "military security zones".

As a result of the hard work of the opposition and Canadian citizens, the government decided to withdraw that bill and replace it with Bill C-55, which is before us today.

With used material such as C-42 you cannot make something new, like the government would have us believe with Bill C-55 this morning.

I have a lot of concerns regarding Bill C-55. My first concern has to do with the minister's discretionary authority. It has to do with the powers given one or several ministers. The Minister of National Defence will have discretionary powers, and so will the Minister of Transport and the Minister of the Environment. It is of great concern to me.

Take for instance the issue of Afghanistan and Afghan prisoners. We believe the defence minister showed a little lack of judgment.

Let us add to that the fact that, if former minister Gagliano—I was going to say your friend, but I will say instead your former colleague—had had to make decisions under Bill C-55, given what we know of the conflict or problem that exists today in the Department of Public Works, it would have been rather scary, I think. His decisions might have been dubious.

The bill puts a great deal of unilateral power in the hands of ministers. What is the use of having the House of Commons then? What are we doing here in the House, what are we doing here in parliament? We wait, we look around, and we see what is going on. But we were elected to take part in decision-making.

The other concern that comes to my mind is the lack of consultation between the federal government and the provincial and territorial governments.

I would have liked the minister, before presenting such a bill or making a decision leading to the designation of a controlled access military zone, to at least pick up the phone and call his counterpart in Quebec to tell him what he intended to do. But no. He is the one who makes the decisions. He could not care less about those elected to the other levels of government and he will decide. This is wrong.

Another concern is the size, the dimensions of that controlled access military zone. The only criterion mentioned in the bill is that the zone may not be greater than is "reasonably necessary". What does this mean? I am looking at my friend watching me and I am convinced that his view and mine are not the same, and I am convinced that the expression "reasonably necessary" does not mean the same thing to you, Mr. Speaker, as it does to me. We could argue about this for hours and just waste our time.

It does not make any sense to leave the power to decide the size of the military zone in the hands of a single person.

● (1155)

Everyone who lives within a controlled access military zone will surely be affected, in terms of their property and the problems that they will experience to go to work and to enter the zone, since controls will be very strict. Some people may even be denied access to this zone. These people will not have any legal recourse. They could lose money or their job, or they could experience psychological problems, but the government does not care and says "Tough luck, it is your problem. Deal with it".

In Bill C-42, a clause provided that military security zones could be established for reasons relating to international relations, defence or national security. These reasons are not set out in Bill C-55. This means that the Minister of National Defence, the Minister of Transport, or the Minister of the Environment could give any reason for their decision. Any reason making action reasonably necessary—this is a concept that can be stretched—may be given. One might go as far as to presume that, at the upcoming summit in Kananaskis, the Minister of National Defence could decide that, since heads of state from all over the world will be in attendance, there is a risk to national security and to the security of these officials, which justifies establishing a controlled access military zone.

As things now stand, this means that nobody has the right to take part in a peaceful demonstration. It is possible to demonstrate peacefully. Anyone who took part in demonstrations could be arrested and excluded from the controlled access military zone.

I have a lot of trouble not seeing this bill as similar to the War Measures Act. People remember what happened when the War Measures Act was introduced in Quebec in 1970. They remember it like it was yesterday. People were thrown in jail for no reason. They were simply thrown in jail without a trial, without the right to a lawyer, without anything, and were never compensated. We do not want to pass Bill C-55 and find ourselves with another War Measures Act on our hands.

Recently, one of my greatest concerns has been that the government is going to ignore the Canadian Charter of Rights and Freedoms. The bill simply says that this bill will be exempt from the provisions of sections 3, 5 and 11. I am not the only one to be concerned about this part of the bill. Let us not forget that the privacy commissioner criticized this bill very harshly, publicly and in writing, saying that Canada was in danger of becoming a totalitarian state, a police state, a military state.

If those listening have been paying close attention, they will surely understand that I myself, like my Bloc Quebecois friends, and I think all the opposition parties, are completely opposed to this bill and are going to vote against it.

In conclusion, I thank the Chair for her tolerance and for letting me speak my mind on this bill.

● (1200)

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, I am pleased to speak this morning on Bill C-55. First, I will offer my views as the Bloc Quebecois critic on the status of women, and thus give a woman's view of the consequences of this bill.

The Bloc Quebecois does not, of course, have anything against a public safety bill. We are, however, the spokespersons for thousands of Quebec women, and indirectly of Canadian women, who are concerned about their children and their families. For these women, safety is extremely important consideration, and it affects everything that impacts upon their quality of life.

The women of Quebec and of Canada want safety and security for their children and families, but not at any price. Women want it to be logical. They want the measures put in place to be transparent, just and equitable, as well as intelligent.

This bill contains provisions that are, in my opinion, problematic for women. My colleagues who have spoken today have clearly defined the three main elements that are problematical.

The first concerns the unlimited powers available to the minister or ministers, whether for health, emergency measures or transport. The second concerns the controlled access military zones, the third, privacy. Personal information will no longer be private, and the privacy commissioner has voiced objections to this.

As far as the first element is concerned, the unlimited powers to enact interim measures, the women of Quebec and of Canada still recall the way the Minister of National Defence did things, last December I think it was, in the case of the prisoners from Afghanistan who were taken to the base at Guantanamo. The women also recall the Minister of Defence's lack of discernment in concealing these operations from parliament and from the Canadian public at that time. The women want to know how far the ministers will go, the ones who will have to make the decisions under Bill C-55. They are worried.

They ask me "What will be the limits of logic and transparency reached by these men who govern, the decision-makers?" We may know, or we may not, but women are worried.

● (1205)

Women are wondering about the credibility of those involved, and of officials. Bill C-55 would enable officials to make decisions. This worries women. When it comes to controlled access military zones, once again, this has an effect on the quality of life of women.

Let us recall that the women in Quebec remember the October crisis of 1970. I was in my twenties at that time. I lived in a sector of Montreal where the army was present. It made an incredible psychological impact. I remember it as though it were yesterday. I also remember the climate of war and images that have stayed with me. I was living in a controlled access military zone at that time. There was a curfew in effect in my neighbourhood. I was monitored, as a young person; I was not free to go out as I pleased. I practically could not breathe.

Women in Quebec remember this and they are not sure that these controlled access military zones will not reproduce what they went through. Furthermore, if we look at the demands of women—and this is what I would like to focus on more—we see that the women in Quebec, like those in Canada, have taken part in marches.

The first march that caught the attention of the public was the bread and roses march that took place in 1995. Women were saying "We know all about poverty, we experience it every day. We often experience violence. We need a system that is more fair and equitable. We need to put measures in place for our children and our families. We need the government to pay more attention to our concerns". And so in 1995 they marched. It was a small march that people may not have taken seriously.

In 2000 they marched. Not only did they march again, but they went and got support from around the world: women from 157 countries also marched. It was another step. They came here to tell us that the situation could not continue. There is still a great deal of poverty in the world and also in Canada, where there are 1,300,000 children who are poor. There is still a great deal of poverty among single-parent families with low incomes. The federal government's withdrawal from social housing has also created problems that are felt by women.

With respect to violence, the government of Quebec has established a great many measures to end violence and poverty. However, in Canada, the government has not responded to women's demands.

Let us imagine that, at some point, these women may want to go further. What guarantee do they have that they will be able to come and make representations to us in a context of transparency, justice, fairness and freedom? Women have reached such a degree of exasperation that they will have to go further. When they decide to march on the streets, will the government rule that, for reasons of public security, they are not allowed to do so? Will the government designate controlled access military zones?

As regards privacy, if women go too far, will authorities search for personal information on these women to label them as terrorists? How far will this go?

● (1210)

I am asking hon. members opposite to think about these three points, keeping in mind that women account for 52% of all Canadians.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, this is not the first time I have spoken on Bill C-55. There was an earlier bill that I think the Bloc Quebecois succeeded in getting the government to drop. We were not satisfied with the first bill. We have tremendous reservations about Bill C-55, and many amendments are needed.

It is quite obvious, however, that the government had to go back to the drawing board. I could describe many of today's amendments as cosmetic. There is still a major problem with the substance.

I wish to begin my speech on a positive note. The Bloc Quebecois succeeded in getting the government to go back to the drawing board. I am going to focus primarily on the military aspect of the issue because, as members know, I am my party's national defence critic.

The first thing I wish to say about our victory has to do with the part of the previous bill which dealt with the designation of military zones, which could be based on all crown materiel or property. This meant that as soon as there was property anywhere in Canada, whether it was a military vehicle or a letter box, the government could step in and say, "We have a mandate to step in everywhere".

Now, it has somewhat limited the scope of this provision by restricting it to military materiel. For us, this is already a victory. Not everything about the bill is negative either. I should mention that the Bloc Quebecois agrees completely that reservists, of whom there are now approximately 18,000, should be able to go back to their old job when they return from a theatre of operations or a period of training with the Canadian forces.

I felt that there was one oversight. A public affairs network at the Department of National Defence encouraged employers to release reservists and take them back. But there was no obligation on employers to do so. I think that it is a good idea to allow reservists deployed with the Canadian forces to return to their job upon returning from a theatre of operations or training.

However, with respect to the bulk of the provisions concerning controlled access military zones, we no longer see anything particularly positive about them. We must never lose sight of the fact that one man is going to designate these zones, and that that man is the Minister of National Defence. Even though this is limited to military materiel, I do not think it is an exaggeration to think that, if there are several trucks or a military convoy somewhere, a controlled access military zone could be designated.

In my opinion—and I often give the example of the Quebec City port—, a military zone could overlap onto an adjacent non-military area. Starting from the Naval Reserve building it could include a part of Old Quebec, with all the possible negative impacts that this could have.

The minister keeps coming back to the same example, the attack on the *USS Cole* in Yemen. Personally, I am convinced that if such a bill were adopted and if an American, allied or British ship were to enter the port of Quebec City, the military zone could go from the Naval Reserve as I was saying, to a part of the Old Quebec sector, with all the inconvenience you can imagine.

We believe that the current minister has misled the House, and this was said in a minority report from the Standing Committee on Procedure and House Affairs. On the issue of the Afghan prisoners, we remember that the minister supposedly mixed up the dates. So can we trust this man's judgment? It is most doubtful and highly debatable.

And that is not all. It does not matter who is Minister of National Defence, the fact that the power to create these zones is given to one man only creates a problem. Of course, they will tell us that this will be done on the recommendation of the chief of defence staff. That might be the case, but a recommendation is just that, a recommendation, and in the end, it is the minister of National Defence who will be making the final decision.

● (1215)

Thus it is important to understand that he is the one who will decide everything. Moreover, he will decide everything within such a large concept that, in the part about the controlled access military zone, we find the expression "reasonably necessary" three times. No one can define what is "reasonably necessary". There are 301 members sitting here and, on any given issue, they all have a different perception of the action that is "reasonably necessary" to take.

This means that too much power is given to one man. We give him "reasonably necessary" powers on the military zone, its time limit, its designation, its dimensions and its renewal. We believe this is going much too far.

There are also other concerns. Can this type of bill and some parts of it meet the test of the charter of rights and freedoms? It is not certain.

The minister will decide about the zone's determination, time limit and dimensions. After that, he is the one who will decide about designating a zone. He will have 23 days to inform people. Once again, for reasons of national security, the Minister of Defence might decide not to inform anyone. Some provisions provide that people who are in these zones, even unknowingly, may be expelled manu militari; they may be forcibly removed from the zone. Some provisions provide that, if they suffer damage or injury, no action may be taken against the government.

When I say we have serious concerns as to whether this meets the test of the charter of rights and freedoms, this is this type of conduct that makes us say this. In our society, everyone should be able to defend himself and say: "I have been hurt and I will take action against the government". The government says that they will not be able to do so. We believe that this is a very serious violation of the charter of rights and freedoms.

There could be problems with livestock and vehicles and even more serious issues in the farming industry. The minister could designate an area, not tell anyone and extend the zone from a military establishment to civilian territory. People could then be told, "We moved your vehicle somewhere else. It was damaged, not too badly though, but you cannot take any action against us. We get to decide".

A single man, the minister, gets to designate these zones, to determine the period during which the zones will exist as well as the dimensions of the zones; he also gets to decide whether or not to inform people. If you happen to be there, you can be removed. If you suffer damages or injuries, no compensation has to be handed out. One has to seriously question if that would meet the test of the charter of rights and freedoms. Personally, I do not think so.

If the bill is passed, it will not take long for some people to challenge it before the courts and argue that it is in violation of our fundamental rights and freedoms.

As the House can see, I focused mainly on the issues for which I am responsible, as national defence critic. I also join with my colleagues in pointing out that many other parts of this bill are questionable and would have a hard time meeting the test of the charter of rights and freedoms.

For all these reasons, I urge all the members to amend the bill, but mostly to listen carefully during the committee meetings so that we can really tone down this legislation. As the bill stands now, it would be very hard for the Bloc Quebecois to support it.

● (1220)

[*English*]

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I am pleased to have the opportunity to again speak to Bill C-55. I am pleased to speak to the proposed subamendment because it addresses a crucial aspect of the bill that has raised concerns in the House and throughout Canada.

Canadians and people worldwide have been trying to address security issues and the fears they have as a result of terrorism. Initially after September 11 people wanted to do anything they could and to take no chances whatsoever. That is fair enough. However no one in their wildest imagination thought it would be open season for the RCMP and CSIS to have access to the kind of information Bill C-55 suggests they should have access to, at least not without safeguards to ensure oversight so the rights of Canadians are not unjustly infringed on.

The issue in the subamendment, as the privacy commissioner has touched on rather strongly in the last week or so, relates to airline passenger lists. As the transport committee dealt with security issues after September 11 we met with the privacy commissioner. He voiced concerns about information being requested by the U.S. with regard to individuals travelling into the United States. Generally at that point there was acceptance that some information should be available. No one objects to the right of another country to know who is entering it and how they are coming in. People entering a country must have passports or some kind of identification. That was not an issue.

The bill before us would give the RCMP and CSIS access to airline passenger lists. This cannot be seen as restricted to airline passenger lists. The bill talks about regulations that would provide a good deal of information. However I will speak specifically to the issue of providing airline passenger lists to CSIS and the RCMP. They should check them over if they think a terrorist or someone related to a crime might be on board. I do not think Canadians would object, even though a terrorist would probably not put his occupation as terrorist or indicate he was going into the U.S. for the business of terrorism.

However it is a fair complaint. We should at least look at the lists to see if anyone can be identified as a problem. However that is not what would happen. The RCMP and CSIS could keep the lists for whatever length of time and track any passenger on them. They could track their movements from week to week, month to month or year to year. They may think it suspicious that certain businessmen fly to New York or wherever too many times a year. They may decide it is an issue and track them to see what they are doing.

Quite frankly, Canadians have a problem with that. If someone is not a known criminal the RCMP and CSIS should have no right whatsoever to track them. If they are involved in a criminal investigation and want to track a specific person, so be it. However if there is no criminal investigation related to justifiable reasoning it is not acceptable that every person in Canada on an airline passenger list have the information released to CSIS and the RCMP to do with it what they will.

● (1225)

There are those who say if one has not committed a crime one would not have to worry about it. However, I would suggest that while I would not be committing a crime, I would have a problem with someone being able to track what I am doing, because, quite frankly, it is my business. It is a right in a democratic country to be able to move freely. It is a right for me to be able to go to another country. I have to notify that country that I am going there, and that is fine, but I do not think it is right and just that my movements should be tracked.

I am also greatly concerned that if this is allowed to happen on the issue of airline passenger lists, are we then going to allow the RCMP and CSIS access to the records of all patients going into hospital out of the fear that someone might have come in there with a particular injury? Then they can track who is in the hospital and they can see if this injury is related to this type of event that happened there and that type of event that happened here.

It is not as if it is not the slippery slide down the slope. It is. It is critical to the civil liberties of Canadians. It is critical to a free and democratic society. Quite frankly, I do not want persons such as Osama bin Laden and other terrorists to impose on my freedoms and my democracy. That should not happen. If we in our democratic societies now must worry that our movements are going to be tracked and that we will have the heavy hand of either the law or whatever systems on us just because someone wants to have that information, just because they think they may be able to find something, that is unreasonable.

That, I believe, is what the privacy commissioner spoke to. There are those who have criticized and have said there is no reason to worry, but if I want to get a specialized perspective on something I may not know all the consequences of, I like to know that I can go to someone and get that information, a specialist in the field per se. The privacy commissioner is a specialist in that field. He has seen things happen in our country in different situations. He can identify possible things that might happen that some of us would not even see, because he has already dealt with those types of instances. I am willing to accept his concerns as just concerns that the civil liberties and the privacy of Canadians are being imposed on.

Quite frankly, I think that the privacy commissioner was a reasonable man when he was before the transport committee on the issue of security. He was reasonable in his presentations. He also cautioned us that we should be concerned if countries started wanting more and more information. That is reason for concern. I think he was being reasonable and I think he is reasonable in his concerns in regard to the privacy issue related to Bill C-55. I hope that we will have much further discussion on it.

I believe that Bill C-55 is to go to a special committee now. Again, I hope that what we will see on that special committee is a variety of people from different aspects within parliament, rather than having the bill go to the transport committee. There are those who know how I felt about an issue of such great importance for civil liberties going to the transport committee. It is important that we have people on the committee who will give us a good perspective regarding the bill when they delve into that matter.

I will now give my colleague from the Conservative Party an opportunity to speak.

● (1230)

The Deputy Speaker: It would seem that the hon. member for Churchill has decided what the speaking order is to be, so we will hear from the hon. member for Brandon-Souris.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I wish to thank the hon. member for Churchill for allowing me to speak and, through the Chair, let me say that I have nothing but the utmost respect for the Chair, and I thank you for this opportunity, Mr. Speaker.

I certainly agree with a lot of what was said earlier by the member for Churchill. Canadians take a lot of their rights for granted. We seem to be living in a world where we just assume that all the rights we have had in the past will simply continue in the future. Bill C-55 speaks to some degree, perhaps, about the impacts on some of those rights. I think it is very important that not only do we have the debate today but that we continue with the debate and certainly with the ultimate opportunity of either changing the bill or not having it come forward, because it is a very dangerous bill, which in my opinion certainly presents the opportunity for impacting on civil liberties and rights. We are becoming too complacent. We are putting too much faith in the government, which is unfortunate because the government certainly has not done anything to allow for that faith to be put in it.

There are a number of areas in the legislation which I want to talk to, but first I think it is necessary to say that all of us in the House abhor terrorism. We abhor what we see going on around us right now and we certainly abhor what happened on September 11. We understand that there must be certain laws and opportunities for our police and governments to take swift action when necessary, but there has to be a check and balance. There has to be a piece of legislation that is well balanced and which absolutely ensures that our civil rights as Canadians are protected when we are trying to control terrorism around us.

We have had the piece of legislation that came forward as Bill C-42. We on this side suggested at that time that Bill C-42 was nothing more than a knee-jerk reaction of the government. After September 11, a whole bunch of people cloistered themselves in some smoke filled room and decided to put forward legislation that would allow the government to go forward, with an impact on all our rights and civil liberties.

When it went to committee, Bill C-42 got no support. It had no support from any of the witnesses who came forward. It had no support from any of the stakeholders. In fact, not only did it have no support from the opposition, but there was no support from government benches. Bill C-42, which the ministers on that side of the House had argued was absolutely, functionally necessary in order for the government to do its job, was simply pulled from the order paper.

Why, then, should we believe the government today when it says that Bill C-42 was flawed but Bill C-55 is absolutely perfect? I can assure the House that Bill C-55 is not absolutely perfect. If anything, it probably is no better than the Bill C-42 legislation that has been pulled by the government. I assume Bill C-55 will be pulled as well at some point and, thankfully, will not be passed by the House.

Those people who had the opportunity to listen to my leader, the right hon. member for Calgary Centre, heard him make the argument that in fact we already have legislation in place in the House with the government and it does have that balanced approach with respect to terrorism and civil liberties. That obviously is the Emergencies Act, a 1998 act that speaks to the necessity to have legislation and to have legislation that still protects the rights of individuals.

There are four areas I want to talk about. The first area, in which there has been a correction, is the fact that Bill C-55 was to go to the transport committee. It was our belief, and ultimately the belief of the rest of the House, that the transport committee was not the right place for a very serious piece of legislation to end up. By unanimous consent of the House it was agreed that it should go to a special legislative committee, a committee that will be struck simply to look at this piece of legislation. As a matter of fact I am told that the Speaker will be appointing the chair of that legislative committee. As far as I understand it, the chair will be an individual respected by all of us in the House, although the chair probably has not been named yet since this was just put in place yesterday. It will be a good first step to have the bill go to the legislative committee, not the transport committee.

● (1235)

The second point, which I have already alluded to, is that the legislation is absolutely not necessary. We currently have the Emergencies Act to fall back on, in which the police are given the proper powers and the civil liberties of Canadians are still protected.

The third, and probably the most poignant, point of this legislation is the amount of power it puts in the hands of individual ministers, heaven forbid. I know that Canadians have a great deal of respect for politicians: A recent poll has shown that 70% of them believe we are corrupt, but the Prime Minister has sent out his little minions to tell them politicians are not. However, we lead by example and unfortunately the example at the top, the current government, has a tendency to show that corruption pervades it.

I say that not necessarily in a derogatory way. The fact is that Canadians do not trust politicians. Seventy per cent of them have already said that by poll. Why would Canadians trust one minister to be able to put in interim orders with no checks and balances and which parliament will not be required to debate and agree to? Both the minister of defence and the transport minister will be given powers that are not seen today in this legislative government.

The Minister of National Defence has not really endeared himself to the Canadian public. They do not see him as a terribly competent individual and they do not have a lot of trust in him, but this man would be allowed to file an interim order that would be in effect for 23 days without anybody knowing about it. It could be in effect for 45 days without any cabinet approval. This interim order, unless specified in the order, could be in effect for one year. A minister of this House would have that power.

As the member for Churchill said, honest Canadians will ask themselves why they should have concerns about this power. I am sure that each and every one of us in the House believes that we are honest people, but that still allows the minister to put an interim order into effect that could affect each and every one of us. I find that absolutely abhorrent and certainly I feel that it is way beyond what people in our country really need.

The legislation itself is a grave danger. It is an abhorrence to me and to my party. We will fight this every step of the way, not because we do not believe there is a need to control terrorism but because we seriously believe the legislation is already in existence in the House, legislation with checks and balances.

The privacy commissioner has already fired off alarms about the legislation specifically with respect to the area of airline travel, but there are many more areas within the legislation that we have to deal with. I am glad it is to go to a legislative committee. I really wish and I hope beyond hope that all stakeholders will make their voices heard. I hope they come to committee and put forward their concerns about how they see a government out of control.

● (1240)

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I too am pleased to participate in this debate on Bill C-55, the Public Safety Act, which is aimed at giving the Minister of National Defence the authority to designate controlled access military zones.

It must be an important bill since, as you know, it amends 20 other acts.

When a bill amends that many acts, it has an impact on the whole government since just about every single one of its departments is affected. Indeed, as this bill amends other acts, it is not easy for ordinary people to understand its total impact. To do so, they would have to read the 20 acts in question.

Here is an overview of the acts concerned. Of course Bill C-55 amends the Aeronautics Act, but il also amends the Canadian Air Transport Security Authority Act; the Canadian Environmental Protection Act; the Criminal Code; the Department of Health Act; the Explosives Act; the Export and Import Permits Act; the Food and Drugs Act; the Hazardous Products Act; the Marine Transportation Security Act; the National Defence Act; the National Energy Board Act; the Navigable Waters Protection Act; the Office of the Superintendent of Financial Institutions Act; the Pest Control Products Act; the Proceeds of Crime (Money Laundering) and Terrorist Financing Act; the Quarantine Act; the Radiation Emitting Devices Act to authorize the minister to make an interim order if he is of the opinion that immediate action is necessary; the Canada Shipping Act and the Canada Shipping Act, 2001, obviously the one that was amended; as well as the Biological and Toxin Weapons Convention Implementation Act.

This is not a simple piece of legislation. It is a very broad legislation and it is extremely important.

Previous speakers mentioned the changes or additions proposed in the bill. The member for Saint-Jean talked about the powers given to the minister. I want to focus mainly on the fact that nowhere in this federal legislation is the minister required to consult with the provinces and to obtain their consent.

I know the hon. member for Chicoutimi—Le Fjord will be interested in this. I listened to his speech yesterday, and I told him earlier today when I met him that I found it a bit ironic.

The member used just about the same arguments we do when we complain about the federal government intruding upon provincial areas of jurisdiction, as it did with the highway infrastructure program and other initiatives.

However, the roles were reversed and the member for Chicoutimi—Le Fjord was saying, "We are having a hard time with the Parti Quebecois. It will not let us do as we please in these areas". Unbelievable.

I respect the member for Chicoutimi—Le Fjord for all his hard work, but I think he has gone a bit too far. They intrude upon a provincial jurisdiction, but they probably hope that the Government of Quebec will not say anything or, at best, fully co-operate, even though this goes against the spirit of Confederation.

I had to digress for a moment, because the member was here and was listening to me. Now, the issue of military zones reminds me of 1970 and the War Measures Act. Young people may not realize this, but it happened not so long ago.

● (1245)

Members will recall that Pierre Elliott Trudeau was instrumental in our having the charter of rights and freedoms. Before implementing the War Measures Act, he waited until Premier Bourassa requested it. This time, no, the provinces are not needed. There is no requirement for consultation with the provinces. Anyway, there is no reference to it in the bill anywhere. The way this government operates, when there are no set conditions, when there is no obligation to consult the provinces—and even when there is, it is a cursory consultation, just for appearances—consultation means informing. That is not the definition I learned when I went to school. What I learned I consider to be the right one.

Consulting means more than that. Consulting means talking to each other, reaching agreement. There is no mention of such a thing in this bill.

There is the matter of the charter of rights and freedoms. One of my responsibilities in the Bloc Quebecois is to represent my party on the subcommittee on human rights and international development. I often hear people from the government side, in delegations or elsewhere, boasting about Canada's great sense of democracy. I will grant them one thing: we believe that other countries must respect democracy, human rights, and basic freedoms.

However, we, the opposition members in the House, are being asked to support a bill where everything would be determined by the minister. He would have 45 days to inform people affected by a controlled access military zone. This is obviously talking out of both sides of the mouth. We are telling other countries how they should behave with regard to human rights and democracy. But this government would be even more respectable if it practised what it preaches. Nothing is less credible than a person who sets lofty objectives but does the opposite. How can one give any credibility to such a person? In this case, we are talking about legislation.

I really do not have anything against the current minister; like others, he will move on. After him, there will be other ministers, and perhaps other parties in office, but the act will remain. We know how long its takes to pass legislation. Generally, legislation remains in force for a long time. It is one of the problems we see with this bill.

I remember the other antiterrorism bill. Members on this side of the House wanted these measures to be temporary. They asked for a sunset clause. There is nothing about that in this bill. The minister is given enormous powers. It can take 45 days for anyone to be informed. There is nothing in the bill that says that people who are affected or whose property is affected can be compensated. And there is no right of appeal.

We all agree that we must protect ourselves against terrorism, but we must also protect our democracy and our individual freedoms.

● (1250)

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I did not know that it was my turn to speak. I wanted to add my voice to those of my colleagues who already spoke to Bill C-55, which replaces Bill C-42 that was withdrawn by the government on April 29, 2002.

When we see such a bill before parliament and the powers that the government will have under this bill, when we see the extent to which the government currently abuses these powers, we are entitled to oppose this bill, which provides for the creation of controlled access military zones.

We have seen what happened with other acts—my colleague talked earlier about the War Measures Act that was used in 1970—and now we have this bill that would create a military zone without any consultation with the provinces concerned. Personally, I think that this is an unbelievable abuse of power by the government.

It has been mentioned that this bill is so important that it amends some 20 acts dealing with virtually all economic activities in our country. This has an impact on these activities. It has an impact on the environment and on the whole economy. This bill amends acts that are very important for the administration of Canada and the provinces.

This power to change such major laws is in the hands of a single minister. One minister may, for security reasons, decide to turn everything upside down and to designate military zones throughout the country and Quebec.

I believe that such a bill must undergo extensive consultations. We must consult everyone in activity sectors that the bill may affect. Of course, we must consult the provincial governments that will have to face such problems on their territory, without even being informed beforehand.

I believe that the government has given itself abusive powers since September 11. One might wonder if, in wanting to control terrorism, the government is not becoming itself a terrorist. I find that the means that the government is using to control the territory and prevent terrorism are dangerous. The remedy should not become more dangerous than the illness.

Bill C-55 is evidence that the government is abusing its prerogatives and its authority to show toward the country in general, and the Quebec territory in particular, a military control that is absolutely undesirable to us.

I believe that Bill C-55 must be withdrawn, as Bill C-42 was previously. Before going so far in the protection, or so-called protection of the territory, the government must absolutely take the time to consult the people, to see what the needs are exactly and to give itself the means necessary to do so without abusing its power. I have absolutely no confidence in the government to simply act this way.

● (1255)

When such powers are provided to a single minister, we can expect abuse. It will be too late to criticize, and we will have to live with it.

For all these reasons, and given the number of laws that will be affected by this bill, I join my colleagues in saying that we are against Bill C-55. It is abusive and must be withdrawn.

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, it is the second time that I rise to speak to Bill C-55. The first time was at the second reading stage. We are still at the second reading stage, but an amendment has since been moved by an Alliance member, and an amendment to the amendment, by a Bloc Quebecois member.

For those just joining us, I will read the amendment again, as modified by our amendment to the amendment:

> That this House declines to give second reading to Bill C-55, An Act to amend certain Acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety, since the Bill reflects several principles that violate human rights and freedoms, which have been denounced by the Privacy Commissioner and are unrelated to transport and government operations, rendering it impractical for the Standing Committee on Transport and Government Operations to properly consider it

I sincerely thank my colleague from Rosemont—Petite-Patrie, who brought this amendment to the amendment forward. The few words we have added reflect the concerns of all Canadians and Quebecers and of many parliamentarians regarding Bill C-55. As for the privacy commissioner, he was very critical. I will read something I had prepared for my previous speech.

Some were pretty harsh in criticizing Bill C-55, including the privacy commissioner. He stated clearly that the government drew its inspiration from practices commonly used by totalitarian states. The commissioner did not even give this new anti-terrorism legislation a passing grade.

Members will certainly agree that such an analysis is not very good for a government, a Liberal government of course, but also and more importantly one that claims to be liberal, especially since it cannot label as partisan the comments made by the privacy commissioner.

In the speech that I made last week, I asked two questions about Bill C-55. First, is Bill C-55 different from Bill C-42? The answer is rather obvious. They are basically the same. Second, is Bill C-55 an improved version of C-42? Unfortunately, it is not.

Since I have the opportunity to do so, I will give a part of my speech that I did not have time to deliver. The Chair monitors time very closely. As we will see, my concerns fully justify adding the amendment to the amendment.

The difference between Bill C-55 and Bill C-42 is that, somehow, Bill C-55 is worse, particularly as regards personal information.

In the first draft of this bill—because everyone agrees that C-42 was a preliminary draft for C-55—enormous power was given to a single person, namely the Minister of National Defence. At a time when the authority delegated to the executive branch is being questioned, at a time when people are asking the legislative branch, that is all of us here, to have more of a say in the decision making process, how can the government justify a bill that puts so much power in the hands of a single person?

● (1300)

The situation is all the more alarming because the decision to suspend people's fundamental rights will—believe it or not—be based on the minister's judgment. This is rather disturbing, is it not?

I want to take a more in depth look at the communication of information. When I read the legislation, I reread a sentence three times, because I could not believe my eyes. I even read it out loud, thinking that my eyes might mislead me, but not my ears. Unfortunately, the result was the same.

The expression "reasonably necessary" is used regarding decisions on the collection of information and the persons who will have access to this information. What does the term "necessary" mean?

This notion is left to the judgment of a person who, in a particular situation, might find it reasonable to give my credit card number to the RCMP. I am sorry, but I do not find that reasonable.

I must admit that I was more than worried when I reread the infamous expression "reasonably necessary". The context to which this expression is applied is the following.

It is provided that the information thus collected and that could be transferred to the RCMP and to CSIS should theoretically be destroyed within seven days, which is the time it took God to create the world. Seven days is "reasonably necessary".

However, it might not be "reasonably required" to destroy this information, and for which purposes? For the purposes of transportation security.

According to which criteria will it be determined, and who will make the final decision on this issue? The bill is silent on this matter; the Minister of Transport will rule unchecked.

Should we be concerned about that? I believe we should. When the privacy commissioner says that these measures are a dramatic expansion of privacy-invasive police powers without explanation or justification, I wonder to what kind of trick the Minister of Transport, even with the help of the whole cabinet, will resort to justify that it is reasonable not to destroy my credit card number.

This debate is not over. Last week, I asked two questions. Is Bill C-55 different? We can fairly say that the differences are minor, and that this bill is more of the same, making it increasingly clear that the government does not know how to fill the legislative agenda. This is cause for concern, especially when we know that barely two years have gone by since the last election.

Here is my second question. Is Bill C-55 an improvement over Bill C-42?

● (1305)

Let us face the fact: this new bill does not meet the expectations we had, and will not dissipate our concerns. At a time when respect for each other is more critical than ever, we cannot tolerate that fundamental rights and freedoms be trampled, under the pretence of trying to fight terrorism. The citizens we are seeking to protect should also be protected from abuse.

However, absolutely nothing is telling us that it will be the case should—

The Deputy Speaker: I regret to interrupt the hon. member, but her time is up.

[*English*]

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the subamendment. Is it the pleasure of the House to adopt the subamendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the subamendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

Ms. Marlene Catterall: Mr. Speaker, I believe you would find unanimous consent to defer the taking of the recorded division until Tuesday, May 21, at the end of government orders.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

The Deputy Speaker: Accordingly, the vote on the subamendment is deferred until Tuesday, May 21, at the end of government orders.

* * *

● (1310)

[*Translation*]

EXCISE ACT, 2001

The House resumed from May 1 consideration of the motion that Bill C-47, An Act respecting the taxation of spirits, wine and tobacco and the treatment of ships' stores, be read the third time and passed.

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I am happy to rise today to speak to Bill C-47. The House will remember that there are some worthwhile provisions in this bill, which essentially changes the excise tax.

The Bloc Quebecois believes that the main problem with this bill is not in what it provides for, but in what it does not. We realize that, once again, abiding by the principle that one does not bite the hand that feeds him, the government has bowed down to the big breweries' lobby.

I am not an expert on the beer market, since I only drink a little beer once in a while, but we all know that, in Canada, the beer market is split between two large producers, Labatt and Molson.

A few years ago, maybe less than ten, a new phenomena appeared in Canada: microbreweries. Previously, as members will recall, we used to say that beer was the champagne of the poor. Since then, people have discovered the gastronomical and culinary qualities of beer.

Two years ago, in my riding, we had the Journées de la bière, in Beauport, which is fairly similar to the Festibière in Chambly. Unfortunately, it was not very well attended because of bad weather. We had the opportunity to sample new products made with new processes or with different grains. We all know that beer is the result of the fermentation of various grains.

We realize that the microbreweries' share of the market is expanding steadily in Canada and Quebec. In the last ten years, many microbreweries have sprung up. In our beer festival in Beauport, we even had workshops on fine cuisine to learn how to combine dishes using beer as an ingredient and how to prepare sauces or side dishes made with beer. People are getting more sophisticated. We now have different kinds of beer with fruit. We are finding out more about the potential of beer. And so, the entirely new microbrewery industry has developed, alongside the two major breweries.

Unfortunately, some of these microbreweries had to close because their production was inadequate for their survival, especially with the fierce competition of the two major breweries. Many microbreweries had to close.

Usually, those that survived in Quebec are to be found in the regions. They are not necessarily in an urban setting. In the east end of Montreal, for example, near the Jacques-Cartier bridge, we have the huge Molson brewery. In the west, in Ville Lasalle, we have a Labatt brewery.

● (1315)

To add some regional cachet, some regional flavour, these microbreweries are located outside of major centres, and as a result they can be found in many ridings.

My colleagues who spoke before me on this bill had the opportunity to mention it. The member for Chicoutimi—Le Fjord knows quite well that there is a microbrewery in his riding, in Anse-Saint-Jean. I find his silence disappointing. I hope that workers at the microbrewery located in Anse-Saint-Jean will remind the member for Chicoutimi—Le Fjord of his position, or lack thereof, his laissez-faire attitude regarding Bill C-47. This bill contains no provision to help microbreweries, which deserve help.

As I said earlier, they are a tourist attraction in the regions. It is possible to add an economuseum to a microbrewery, visit the premises, and witness the fermentation and manufacturing processes, from raw materials all the way to the bottling stage.

Regionally a microbrewery is first and foremost a tool for economic development and to promote tourism. Considering the position of the member for Chicoutimi—Le Fjord, we think we will have to remind him of it.

He likes to show off here, trying to torpedo the Bloc, ridicule the work Bloc Quebecois members do. He is constantly predicting the demise of the Bloc Quebecois. However, he should be reminded that in 1993, when he was still the turn-coat member for Chicoutimi—Le Fjord, in those days he was still a tory, a former PQ member, he ran for the Conservative Party and was defeated by a Bloc member, Gilbert Filion. He should be reminded of that.

Sadly once again the government is doing nothing to listen to regions and those who do not have a monopoly or money to lobby. As I said earlier, you do not bite the hand that feeds you.

If you look at the Elections Canada site, you can see how much money the two major breweries give the Liberal Party. Incidentally, they give approximately the same to the Canadian Alliance and the Conservative Party. It pays politically.

Go and look at the Elections Canada site. You will notice that the major breweries did not give $300,000 or $400,000 to the Bloc Quebecois. We prefer public financing coming from ordinary people who contribute $5, $10 or $20 to our election campaigns.

Thus, after the election, we owe nothing to large breweries. We owe our election to ordinary people who trusted us and who also had confidence that the members of the Bloc Quebecois would defend Quebec's interests.

The Bloc Quebecois has been working very hard on this issue. I also want to recognize my colleague from Saint-Hyacinthe—Bagot, as well as my colleague from Drummond, for their contribution to the proceedings of the Standing Committee on Finance; they both attended lengthy meetings that lasted for whole days and whole evenings. They were only doing their job. They were only doing what the people of Saint-Hyacinthe—Bagot and Drummond elected them to do, that is defend them and speak on their behalf in Ottawa.

That is the difference between a member of the Bloc Quebecois and a member of the Liberal majority, such as the members opposite, who only go to their riding to sell Ottawa's ideas and not the opposite.

Both our colleagues on the Standing Committee on Finance deserve to be congratulated. They were quickly isolated. We noticed that. It is sad to talk about the other opposition parties. It is sad to criticize the other opposition parties, because every time the opposition is divided on an issue, it suits the government.

However, when the opposition does not behave correctly, adequately or properly, we must condemn the situation. We must also condemn the flip flop of the Canadian Alliance on this issue of microbreweries. Apparently, it had told at the outset to my colleague of Saint-Hyacinthe—Bagot, the Bloc's finance critic, that it would approve the Bloc's position on microbreweries. After a while, the Canadian Alliance probably realized that it was receiving cheques, or the telephone started ringing; it caved in to the lobby of the major breweries.

The Bloc cannot accept Bill C-47 as introduced by the government.

● (1320)

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, I am pleased to rise to speak to Bill C-47. The Bloc Quebecois could have supported this bill, but I would like to explain why we have not done so.

We would have liked the amendments put forward to include beer, namely the reduction of excise duty on beer produced by microbreweries, to be considered in order.

In the current Excise Act, wine, spirits, beer, tobacco and distillery products are all mentioned. Bill C-47, which is supposed to bring that Excise Act up to date, also deals with absolutely everything, except beer. It is pretty unthinkable.

I would like to tell the House why I am personally against this bill. In my riding of Terrebonne—Blainville, we have the microbrewery which produces the Boréale. I want to take this opportunity to acknowledge the managers and the 75 employees of that microbrewery.

They expect their MP to stand up for them and put forward their viewpoint and their concerns. They also expect the government to take into account that this substantial tax—which is a surtax in some way—is eroding their profits and stifling the growth of their company.

This microbrewery was established in 1987. It is recognized worldwide for its five different types of beer. I say worldwide because people come from around the world to learn about their brewing methods, and also because of exports. There are 75 employee plus the managers who put their hearts into their work. They give their best for this small business' operations. It is a dynamic and strong company, and management is determined, despite everything, to keep their market share.

This business is 100% Quebec owned and operated. It is the second largest microbrewery in Quebec; it has $12 billion in annual sales, selling more than 45,000 hectolitres, which is very impressive for a microbrewery. As I said, its brewhouse is the most technologically advanced in the entire microbrewery industry in Canada. It has a fleet of 12 trucks, which adds to the indirect jobs it creates. Its distribution is based in North Montreal and in the Eastern Townships and extends all the way to remote areas. In order to ensure incredibly personalized service, its sales reps operate like travelling salesmen, again, creating more jobs.

This microbrewery has to cope with a surtax of 28 cents on each litre of beer, for all of the different beers that it sells. If it were in the United States, it would only pay 9 cents per litre.

● (1325)

How can we explain that here in Canada, we cannot protect our microbreweries against the American microbreweries? The Bloc Quebecois has looked into the matter, and has found out that the Brewers Association of Canada, which claimed to be fighting for the microbreweries, was in fact in collusion to throttle the microbreweries by having them pay the full excise tax.

Which are our big Canadian breweries? Molson and Labatt. When we look at the situation closely, we realize that there is collusion and chumminess between the big Canadian breweries and the chair of the finance committee. Yet she is supposed to be there to find other ways to help the microbreweries.

More than 2,000 employees are directly dependent upon the microbreweries. I proved earlier that the microbrewery located in my riding, the Boréale, also generates a lot of indirect jobs. If 2,000 direct jobs depend on Quebec's microbreweries, how many indirect jobs depend upon Canadian microbreweries?

I think that the government should really pay attention to what it is doing. It is throttling these microbreweries, which are small and medium size businesses that contribute to the Canadian financial policy. There are a good number of them. The big companies are not the only ones we have. There are also people working in small businesses, often family businesses, where women are penalized by the employment insurance system. What will happen to these people if the microbreweries close down? Many people will lose their job. These are people who depend on us, as parliamentarians, and on the government for decision making. These microbreweries will close down and these people will lose their jobs.

As I only have a few moments left, I would ask the government and the Standing Committee on Finance to take into consideration all the people working for the small and medium size businesses. These are the people who are being done in by senseless and foolish policies. They want to make a decent living.

[*English*]

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, it is a pleasure to address Bill C-47 which amends the Excise Tax Act. In my remarks today I will address a few short points.

The Canadian Alliance will be supporting Bill C-47, however it is qualified support. We believe that the interests of major Canadian industrial producers of wine and spirits will benefit from the bill and we recognize that the affected stakeholders were consulted throughout the drafting of Bill C-47. That is where our support for Bill C-47 ends. We are troubled by other factors in the bill: the increase of cigarette taxes; the failure of the government to address crippling tax levels on Canada's microbreweries; and the cloud of questionable ethics that once again surrounds the government.

The committee stage of the bill was quite ugly. Members of the opposition, in particular the member for Calgary Southeast and the member for Saint-Hyacinthe—Bagot, tried to move amendments that would immediately address the plight of Canada's microbreweries that are being driven out of business by onerous excise taxes. Rather than address the issue with a discussion, the committee chair in her abrasive manner ruled the amendments out of order and shut down debate.

These adversarial and arrogant actions led to members challenging her ruling and raising the question of a conflict of interest. The chair had a letter ready in hand from the dubious ethics counsellor clearing her of any conflicts. A note from the ethics counsellor is like a note in high school that reads “Please excuse Johnny from gym class, signed by Johnny's mother”.

The ethics of the committee chair would never have been brought into question if she had not trumped legitimate debate in such a dismissive and autocratic manner. This is yet another example of the members opposite using the tyranny of the majority to settle issues that deserve meaningful debate and co-operation. The government's short-sightedness, arrogant scheming and constant cover-ups cause the opposition and Canadians to assume the worst.

In the end the government got its way and yet another bill went through committee without amendment, fulfilling the facade of democracy. The plight of microbreweries has yet to be addressed. We will not let this issue go. I have a list of every member of parliament who has a microbrewery in his or her riding. I expect each of these MPs to push the finance minister to give microbreweries the tax relief they need to survive.

Back to the bill at hand, I and my Alliance colleagues have been contacted by several people on the west coast regarding clauses 422 to 432 of Bill C-47 which deal with the ships' stores act. Ships' stores relief is intended for ships engaged in international trade or facing international competition. B.C. Ferry Corporation complained about departures from this policy that favoured ships operating in the Great Lakes and lower St. Lawrence and sought remedy through the courts.

On May 10, 2001 the federal court of appeal ruled that the ships' stores act went beyond the scope of the enabling authority and would cease to have effect on October 1, 2001. The court ruling would have allowed all ships' stores in Canada to be entitled to duty and tax relief on their purchases of fuel with an annual loss of federal revenue between $30 million and $35 million. On September 27, 2001 the federal government announced the changes contained in this bill and amendments to the ships' stores act, which reverse the regulatory changes dating back to November 10, 1986.

As a result of Bill C-47, the only vessels which qualify for relief under the ships' stores regulations are tugs, ferries and passenger ships operating on the Great Lakes and lower St. Lawrence River that are engaged in international trade. The government went to great lengths to fight regulations which favoured central Canadian vessels over coastal vessels. B.C. Ferry Corporation won an appeal to finally strike down these discriminatory regulations.

The bill puts in place a phase-out period to aid the central Canadian vessels through that transition. The stated purpose is to allow these vessels to honour existing contracts and pricing. I wonder why.

● (1330)

The government has frequently passed bills that will retroactively penalize Canadian industry. Do we think it has anything to do with the fact that Canada Steamship Lines is the largest carrier in the region? Probably not, just like the way Halifax and Vancouver have to pay ice-breaking fees in harbours that do not freeze just to subsidize the same region preferred in the bill.

In closing I want to reiterate my opposition to the government's increase in excise tax on tobacco products. Bill C-47 seeks to increase the federal excise taxes on tobacco products and to re-establish a uniform federal excise tax for cigarettes across the country of $6.85 per carton. The stated purpose of the tax increase is to improve the health of Canadians by discouraging tobacco consumption.

The federal excise taxes on cigarettes will increase $2 per carton in Quebec, $1.60 per carton in Ontario and $1.50 per carton in the rest of Canada. This will bring the total federal excise burden on cigarettes to $12.35 per carton. Federal revenues will increase by approximately $240 million per annum through this tax hike.

We all want Canadians to live healthier lives, especially our youth. The reduction of smoking is a big part of that. My problem with this legislation is philosophical and based on the process. The past decade has proven that high levels of excise tax on cigarettes do not reduce consumption but only increase or create an underground market.

The role of government is to provide the information for consumers to ensure that citizens have an informed choice. Make no mistake, it is the right of an individual to choose whether or not to smoke. It is my belief that the government is increasing the tax levels simply to increase revenues. It is the only politically correct tax increase at its disposal. The finance minister has never found a tax that he does not like.

The truth is that while the federal excise revenues have increased, transfers to provinces for health care have decreased. What are Canadians going to get in return for this blatant tax grab? I challenged the government opposite to detail what its plan is for the revenue and no stats have yet been brought forward.

The Liberals have once again piggybacked meaningful legislation and political opportunism. Today they are hiking taxes under the guise of tax fairness and that is unethical.

Once again my colleagues and I will hold our noses and support the bill which just is not good enough for Canadians.

● (1335)

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I thank you for giving me the opportunity to speak to Bill C-47, which deals with the taxation of spirits, wine, tobacco and beer.

I hesitate to say "and beer" because it is not mentioned in the title. However, the bill defines what beer is, what a brewery is, what this and that is with regard to beer.

It makes me wonder. Why would there be a definition of beer when beer is mentioned nowhere else in the bill? I have the feeling that, as a result of pressures from large breweries, the government decided to exclude beer from this bill.

Why exclude beer? When we talk about beer, we obviously have to talk about microbreweries. We know that microbrewery products are becoming increasingly popular in Quebec.

Unfortunately, if the beer market continues in the same direction and if the government does not decide to be fair to these microbreweries, there will not be a single one left five or ten years from now. For those who need proof, in 1997, there were about 90 microbreweries in Canada, but that number has now dwindled down to less than 30.

I am speaking from experience. In my beautiful and charming riding of Rivière-des-Mille-Îles, which I am proud to represent and which includes the cities of Sainte-Marthe-sur-le-Lac, Deux-Montagnes, Saint-Eustache, Boisbriand and Sainte-Thérèse, we lost, in Saint-Eustache, a microbrewery that employed some twenty workers. These workers, who were beer experts, could not find another job. I think that, unfortunately, when they stopped drawing EI benefits, they became social welfare recipients, which means that the Government of Quebec has to support them.

Why are these microbreweries, of which the two most popular in Quebec are the Brasseurs du Nord which brews Boréale, and Unibroue which brews Blanche de Chambly, U, etc., in dire financial straits? Simply because microbreweries pay excise taxes that are way too high.

They pay a 28 cent excise tax per hectolitre, while their competitors, microbrewers from United States, France, Germany and Belgium, pay 9 cents a litre. Once they are established on the Canadian market, they have difficulty to remain competitive.

There is something even more degrading and malicious about the bill. I want to talk about Brassal, a microbrewery in LaSalle. It had to compete with Labatt, which is also located in LaSalle. It also had to compete with foreign microbrewers who were exporting their products to Canada through Labatt.

The big Canadian brewers, Labatt, Molson—about Molson, allow me, Mr. Speaker, to congratulate your son Brad for the remarkable work he is doing with the Montreal Canadiens. As I was saying, Molson and Labatt import American beers onto the Canadian market to compete against small Canadian brewers with a homemade product.

So they take the gun, if I can put it that way, and shoot our small Canadian brewers by using imports against them. That is the way they show their pride in being Canadian and Quebecers: by killing the competition in a roundabout way. This is unacceptable.

● (1340)

We learned that the chair of the Standing Committee on Finance unfortunately rejected an amendment moved by my colleague from Saint-Hyacinthe—Bagot, which would have included beer in the bill. I think that beer was previously included in the bill, since it had definitions for beer and brewery. Why include definitions when one does not want to talk about what they refer to? Why define beer when one does not want to refer to it in the bill?

Were government members subjected to undue influence? Did the government do the bidding of the big breweries by withdrawing the beer from Bill C-47? This stinks. It reminds us the Gagliano case. We will have to open new embassies in distant lands for some ministers.

On a more serious note, when the bill is referred to the Standing Committee on Finance, we will have to sit down, get serious and really be mindful of the needs of microbreweries. Beer and most of all microbreweries will have to be part of Bill C-47 again.

[*English*]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I am pleased to rise again on this bill. I would reiterate that the official opposition does not object in principle to the bill which seeks to modernize and make more efficient the operation and collection of the excise tax system, particularly for wine and spirits. Also, it would raise the amount of excise that will be collected from tobacco products.

In that respect, I would like to reiterate our concern that the government frequently uses these excise taxes as a means of increasing its overall general revenues when we believe that taxes are already too high in Canada. The government already collects too much and with a total tax burden 40% higher than that of our major economic competitor the United States, measured as a percentage of GDP, we ought to be reducing the overall tax take of the federal government and not increasing it. Therefore, we would seek to have the government reduce taxes in other areas such as income taxes, corporate taxes, capital taxes and capital gains taxes to offset the increased revenue anticipated from the measures included in this bill.

However the government is addicted to taxation and it looks at bills like this as an opportunity to bring more revenue into the general revenue fund which the finance minister can then use to further pad his surplus through which of course he uses creative accounting, as identified by the auditor general, to hide such financial instruments as these so-called arm's length foundations which are beyond the proper scrutiny of parliament and the auditor general.

Just to underline, I want to say that we seek a proportionate reduction in general tax rates to offset any increased revenues which come about as a result of this bill, including this $700 million increase in revenues from tobacco taxes.

Having said that, I want to turn my attention to the aspect of the bill which concerns me most and which has been emphasized at length by my colleagues in the third party. That namely is the failure of this bill to address the very dire circumstances of the microbrewery sector of the Canadian beer industry.

There are some 50 or 60 brewers in Canada. Only two or three companies are responsible for about 92% of the beer produced in Canada. However there are some 40 microbreweries that are responsible for a small fraction of the total beer produced in this country, and it is a very good product that they produce. I have sampled the odd microbrewed product from time to time, such as the excellent beers produced by the Unibroue company at Chambly, brasserie de Chambly. They are fantastic. Fin du Monde is my favourite there. Of course there is the Big Rock Brewery in my riding of Calgary Southeast, the best microbrewery in Canada bar none, which produces my favourites: McNally's special ale, traditional ale and grasshopper. This is a marvellous industry which produces a truly great product.

As members can tell from looking at me, I did a practicum in this policy area because I wanted to make sure that the products were good. I can assure the House that they are.

The problem is that the people who operate these small breweries are real entrepreneurs. They do not have huge overheads. They do not have access to enormous unlimited financing. They do not have a heck of a lot of equity. What they do have is an entrepreneurial drive and a desire to produce an excellent product. They also have a desire to export it to grow the Canadian economy and increase jobs in their local communities.

● (1345)

I have toured the facilities of Big Rock in Alberta which started as tiny microbrewery about 15 years ago employing a couple of dozen people. It now employs hundreds of people and has become a success story. However its success and the success of other microbreweries in Canada is seriously threatened by the burden of excise taxation imposed on them by the federal government. This is not properly addressed in the bill.

Small breweries in Canada are seeking essentially the same treatment given their competitors in the United States. In Canada we charge breweries 28 cents per litre or $28 per hectolitre of beer produced. That is a flat excise charge regardless of the size of the brewery or the amount of its production. In other words, Labatt or Molson which produce literally millions of hectolitres and have enormous overheads and financing are charged the same excise rate as tiny, virtual cottage breweries that service local markets or mid-size microbreweries like Big Rock which attempt to export to the United States.

This is hugely unfair, particularly given that the United States offers a preferential rate for small breweries which is much lower than the general rate. We are putting our Canadian firms at an enormous competitive disadvantage vis-à-vis their American counterparts. That is why over the past several years nearly a third of the microbreweries operating in Canada have gone bankrupt.

We all know small business is a high risk enterprise in that there is no guarantee of success in any small business. However in general in tax law we recognize the importance and the difficulty of operating small businesses. We recognize that small and medium sized enterprises are responsible for over 90% of the new jobs created in our economy. We also recognize that lack of access to capital and the difficulty of starting and maintaining new small businesses requires reflection in the tax code. For that reason we do not assess a single corporate tax rate on all companies regardless of size. We have a differential between large corporations and small businesses. There is a separate lower tax rate for small businesses up to a certain amount of revenue.

The Brewers Association of Canada and the Canadian Council of Regional Breweries are seeking a reflection of this principle in the application of excise tax law. They are seeking to have an excise tax rate of 40% of the normal tax rate imposed on microbreweries for their first 75,000 hectoliters of production. They define micro-breweries as companies with a total production of less than 300,000 hectolitres a year. This would cover companies responsible for only 2% or 3% of beer production in Canada.

The measure has been endorsed by the Brewers Association of Canada which includes the large producers. The large producers do not feel threatened by it. They think seeing the microbrewery sector thrive and succeed would help the overall industry in Canada.

Furthermore, based on a static analysis it would cost the federal treasury only about $10 million in notional foregone revenues. That is a tiny ostensible revenue cost. I have every confidence finance officials would confirm this were they to run a dynamic econometric model on the impact of the policy change. It would result in higher revenues for the federal government. If more companies were able to survive, grow, reinvest retained earnings and employ more people the federal government would collect more in corporate, excise and employment taxes.

Once again, the government ought to adopt the recommendations we have moved in the form of amendments at committee. I hope we will soon come forward with legislation to save the microbrewery sector in Canada from the unfair competition it faces by accepting these sensible policy recommendations.

● (1350)

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, it is a pleasure to take part in this debate on Bill C-47 at third reading stage. I spoke to this bill at second reading stage and said there was collusion. I was never in favour of collusion.

In this case, there is collusion between two groups, the government and the big breweries. For the Bloc Quebecois, this does not come as a surprise. We often stand up for a majority of people who do are not in high finance, while the Liberal members—and we see how confused they are now—are still working with the small minority of those who control or try to control our economy.

One only has to look at contributions. The seven big oil companies, the big breweries and the big banks are probably the ones that contribute most to the Liberal Party. They have the government's ear.

I listen to what my colleagues from the Canadian Alliance are saying. They are no better because they want to change place with these people. They tell us, "It will bother us greatly to support this bill. There are provisions that we do not like in this bill regarding the microbreweries".

In fact, like the Liberal Party, they do not have the courage to say, "We will stand up for the ordinary people, we will stand up for those who do not belong to the minority controlling the economy". This is the diabolical plan that we are facing. It is the great hypocrisy of the big breweries, who have been saying all along that they would like the excise tax to be reduced to the level applied in the U.S. This is what they have been saying.

And then a bill is introduced, but beer is no longer included. Why? Why do the Americans pay 9 cents a litre in taxes while Canadians pay 28 cents a liter?

You will say that the big breweries and the microbreweries alike have to pay the 28 cents. It is true, but the microbreweries cannot withstand that. The big breweries know that very well, and they just sit there waiting for the microbreweries to close down. This is absolutely outrageous. The big breweries already control 95% of the market, and they want it all.

This is a byproduct of globalization. The government wants everyone to be identical. We will have only one beer in Canada, called John Labatt or Molson. The two will merge and get rid of all the microbreweries, which are making exceptionally good products, not only in Quebec, but everywhere else in Canada.

The Alliance must understand that, in voting for this bill, its members are voting against their own microbreweries. They are voting for John Labatt and the big breweries and against microbreweries in their ridings.

Before you interrupt me, Mr. Speaker, because we will soon proceed to statements by members, I will say that this is what is at issue. We will defend the microbreweries, the folks at home, those who would not have a voice if the Bloc Quebecois were not in the House of Commons. These people cannot rely on the Liberal Party or the Canadian Alliance. I will conclude my speech after question period.

● (1355)

The Deputy Speaker: I thank the hon. member for Saint-Jean for his co-operation. He will have more than six minutes left to conclude.

STATEMENTS BY MEMBERS

[*Translation*]

INFRASTRUCTURE PROGRAM

Ms. Diane St-Jacques (Shefford, Lib.): Mr. Speaker, I am pleased to share with the House of Commons the news of a construction project. A multipurpose performance space will be built in the city of Saint-Hyacinthe, in Quebec, funded by the Canada-Quebec infrastructure program.

The financial contribution of the Government of Canada is in excess of $3 million.

The City of Saint-Hyacinthe will therefore be able to continue to fulfill its role as the cultural hub for the Montérégie region. The direct economic fallout from this investment is estimated at $1.5 billion, and it will help revive the downtown area of Saint-Hyacinthe.

My congratulations to the artists and creators of the 30 or so cultural organizations of Saint-Hyacinthe, the cultural council and the Société des diffiseurs de spectacles, as well as the municipal councillors, who have made this project possible.

The Government of Canada is proud to be associated with a project of such importance to this community.

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[*English*]

REPRODUCTIVE TECHNOLOGIES

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, the government has finally tabled the long overdue legislation on reproductive technologies and related science.

There are things that we support in the bill but there are important flaws as well, loopholes in the surrogacy provisions that would lead to abuse. There are no criteria for determining when to experiment on human embryos. The new regulatory body would not have to report to parliament.

Most importantly, the government ignored the recommendations of the Standing Committee on Health to recognize human individuality, dignity and integrity. Accordingly the government has opened the door to experiments on human embryos, treating life as a mere object. Adult stem cells are now being used to treat Parkinson's, MS and spinal injuries. We should focus our scarce resources on adult stem cell research that is making a difference now.

Finally, this legislation touches a profound issue of conscience. A free vote on the legislation is imperative for all members of the House.

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● (1400)

ARTS AND CULTURE

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, support for the performing arts and community theatre is alive and well in towns and cities right across Canada. Nowhere is live theatre more successful than in my riding of York South—Weston where members of the Weston Little Theatre have performed 15 plays so far, ranging from the hilariously funny murder mystery farce *While The Lights Were Out* to the dramatic *Whose Life Is It Anyway?*.

Weston Little Theatre has received two Thea Awards, which in community theatres is equivalent to the Oscars, for its production of *Italian American Reconciliation*. As in community theatres across Canada, Weston Little Theatre is managed by an all volunteer board of management. Membership is open to anyone in the area, no experience required, just a love of theatre.

I congratulate community theatres across Canada and in particular the Weston Little Theatre which this summer will be performing *Theatre in the Park: A Night of One Acts* at the bandshell in Little Avenue Memorial Park. Admission is free and everyone is welcome.

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DISCOVERY CENTRE

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, I rise in the House today to recognize the Discovery Centre at the Normal School campaign in Stratford, Ontario.

The $2.5 million fundraising campaign to renovate the former teacher's college has passed the halfway mark. The fundraising volunteers have pledged their support for this five year campaign to restore and renew this magnificent building that was originally built in 1903. With its heritage status secured, the Discovery Centre will remain loyal to its architectural and historical integrity by stepping into the 21st century yet remaining true to its past.

The Discovery Centre will house the Stratford-Perth Museum; a visitor information area with Internet access; Gallery 96, a non-profit, artist run gallery; as well as rehearsal space for the Festival Theatre. This worthwhile project will preserve the city's heritage as far as possible by offering modern uses for this beautiful building located adjacent to the world renowned Stratford Festival Theatre.

I congratulate all constituents of Perth—Middlesex for enhancing another piece of their rich and diverse heritage.

[*Translation*]

ECONOMIC DEVELOPMENT

Mr. André Harvey (Chicoutimi—Le Fjord, Lib.): Mr. Speaker, as the representative of our government in my region, I am pleased to announce an investment by Canada Economic Development in Alma, for a project that will introduce new cultivars with high economic potential for in vitro cultivation.

The project will contribute to maintaining employment and to creating new specialized positions in biology. In addition to retaining and encouraging the development of expertise in the in vitro production of plants within the region, the need to import plant stock from the United States will be reduced.

The new experimental products will eventually be available on the domestic and export markets. The people of Lac-Saint-Jean will be able to count on the co-operation of our government in the advancement of a number of different sectors of activity.

* * *

[*English*]

VETERANS AFFAIRS

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, it has been 57 years since the end of World War II, so let us take a serious look at how Veterans Affairs is looking after our veterans.

The merchant navy dispute is resolved but only after decades of struggle by the merchant seamen. In a similar vein the aboriginal vets still have their dispute with the government unresolved after 57 years. The government looked after incapacitated vets and kept their money. The government is being sued, lost two court cases and will probably appeal this all the way to the supreme court. I would like to take my grandchildren to see the new national war museum but there is not one. The promised museum has been delayed now for decades.

Veterans Affairs seems to have adopted the same motto as National Defence: Hurry up and wait. I just hope it is not too late for our vets and their families.

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GOO ARLOOKTOO

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, it is with great sadness that I inform the House of the passing of Goo Arlooktoo on April 30 at the age of 38.

As MLA for South Baffin in the government of the Northwest Territories Goo Arlooktoo was involved in the creation of Nunavut. In the government of the Northwest Territories Goo served as minister of justice and housing, was deputy premier and was acting premier of the Northwest Territories for a short period of time.

I have fond memories of visiting Goo's beautiful home community of Kimmirut with my colleague from Brant, Ontario and enjoyed the great fishing.

The loss of such a man as Goo Arlooktoo deprives Nunavut of an energetic visionary and we will all feel the loss of his contribution. My thoughts are with Dorothy Zoe, Goo's wife, and their four children and all his family in this time of sorrow.

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● (1405)

[*Translation*]

SOCIÉTÉ RADIO-CANADA

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, in recent days, thousands of people who watch and listen to Radio-Canada have signed a petition asking for the French language station to resume regular service.

Yesterday, 22,000 signatures were presented to the president, Mr. Robert Rabinovitch, reminding him that the public service provided by the French network was essential to the cultural life of Quebec and New Brunswick. In a many regions, it is the only radio and television service that exists. Three thousand more signatures are expected today.

The quality information produced by the SRC professionals is being missed. The frustration of viewers and listeners has clearly reached its highest point, since so many of them, 25,000, have voiced it.

Management has chosen to lock out employees. However, according to the papers this morning, there is a faint glimmer of hope. The Bloc Quebecois hopes that a fair and equitable agreement will put an end to this conflict, over the course of which management has demonstrated a great deal of arrogance.

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TUBERCULOSIS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I am pleased to bring to the attention of the House a recent agreement between the foundation run by the former president of South Africa and Nobel Peace Prize winner and the pharmaceutical company Aventis to fight tuberculosis in South Africa.

The purpose of this joint initiative of the Mandela Foundation and Aventis Pharma is to increase the country's rate of detection and treatment based on standards established by the World Health Organization, and to set up the infrastructure needed to educate health professionals and patients on the need to ensure the continuity of treatments.

Aventis has made a commitment to support this important project and inject close to $20 million Canadian over a five year period.

The Nelson Mandela Foundation was established in September 1999 to expand and formalize the work Nelson Mandela has done throughout his life. The foundation focuses its efforts on three primary sectors: democracy, education and health.

I congratulate them on this partnership.

[*English*]

UNIVERSITY OF SASKATCHEWAN

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, the University of Saskatchewan in Saskatoon will be hosting the 2002 Canada-Wide Science Fair being held May 12 to 19.

This science fair is organized by Youth Science Foundation Canada. This national non-profit organization promotes extracurricular science and technology education.

Youth Science Foundation Canada provides opportunities for Canadian youth to investigate scientific fields. Education and technology is in demand, and science fairs, such as the one being held in Saskatoon, give young science-minded individuals the opportunity to learn and explore.

The University of Saskatchewan is an outstanding facility and an excellent forum in which to hold the Canada-Wide Science Fair. On behalf of the residents of Saskatoon—Rosetown—Biggar, I wish to extend to the organizers and participants in this year's fair every success. I hope everyone enjoys their time in Saskatoon.

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[*Translation*]

FORESTS

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, from May 5 to 11, Canadians can get together and celebrate National Forest Week, the theme of which this year is “Biodiversity”.

The great biological diversity of our forests depends on our careful use of resources. Thanks to sustainable development based management methods, the Government of Canada is helping to improve the quality of life of all Canadians.

Not only do our forests contribute to our high standard of living, but they also play a vital role in keeping our air and water clean. In addition, their majestic trees and natural vistas provide Canadians with recreational opportunities.

Beyond our borders, Canada is contributing to the vitality and sustainability of the world's forests by developing and exporting its know-how and its innovative high-tech tools.

* * *

[*English*]

WESTRAY MINE

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I want to honour Lawrence McBrearty and Verne Theriault, who are on the Hill today to commemorate the 10th anniversary of the Westray mine disaster in Plymouth, Nova Scotia.

Today we honour the memory of John Bates, Larry Bell, Bernie Benoit, Wayne Conway, Ferris Dewan, Adonjus Dollimont, Robert Doyle, Remi Drolet, Roy Feltmate, Charles Fraser, Myles “Sparkie” Gillis, John Halloran, Randolph House, T.J. Jahn, Lawrence James, Eugene Johnson, Steven Lilly, Michael MacKay, Angus MacNeil, Glen Martin, Harry McCallum, Earl McIsaac, George Munroe, Danny Poplar, Romeo Short, and Peter Vickers.

They were fathers, grandfathers, husbands, lovers, brothers and friends. They were workers who died in a mine that the management knew was unsafe. They are victims for whom the law has failed. Let us fix the law in their memory.

* * *

● (1410)

[*Translation*]

TAXATION

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, in his last budget, Canada's Minister of Finance estimated the surplus at $1.5 billion.

We now learn that, after all the end of year accounting adjustments, there will still be a surplus of $10 million to $12 billion for fiscal year 2001-02.

It is indecent that the Minister of Finance is unable to do the math properly and that he is unable to properly forecast the surplus for the current year. He was out by almost $10 billion. With a surplus like this, he could easily afford a calculator.

Yet all the Minister of Finance had to do was listen to the Bloc Quebecois and immediately make the necessary monies available to honour the promises made during the last election campaign to invest in highways 175, 185, 30, 35 and 50 in Quebec.

In addition to reneging on the promises made by his colleagues, the Minister of Finance is just plain thumbing his nose at people by deliberately deceiving himself about the size of the budgetary surplus.

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[*English*]

ASIAN HERITAGE MONTH

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, last weekend I had the pleasure of attending the second annual Asian Heritage Month celebrations in Calgary. Calgary has the third largest Asian community in Canada. It is a truly multicultural city.

It was my pleasure to lead a forum with over 300 in attendance to discuss the future of the Asian youth and their community in Calgary.

I would like to extend my congratulations to the Calgary Chinese Community Service Association for all its hard work in organizing a firstclass program in celebration of Asian heritage and culture.

* * *

WESTRAY MINE

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, 10 years ago today, May 9, 1992, at 5.18, a terrible rumbling shook the ground. A violent explosion ripped from the depths of the Westray mine. The lethal gaseous Foord seam had again claimed the lives of miners: 26 men whose names were read beside the eternal flame this morning and today in this House and whose lives were commemorated today in Pictou county, Nova Scotia.

While we remember the heroic efforts of the draggermen, the fire rescue workers, the police and the paramedics, and give condolences to the family, now is the time for action.

Let us recommit as lawmakers to protect citizens in the workplace. The chilly message of Westray and the report of Justice Richard was clear: company executives and directors must be held accountable for failing to provide a safe workplace. No words of condolences can comfort the families of the Westray miners more than those printed in legislation.

I close with the poignant words of Jennifer MacDonald of Stellarton who, at the age of 15, wrote:

> Beyond the heavens light above,
> We think of you with all our love.
> Pictonians feel beyond the dreams,
> Of the men who's spirits are in the seams.

* * *

WESTRAY MINE

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, at 5.18 a. m., on May 9, 1992, 26 coal miners lost their lives in the deeps of the Westray mine in Pictou county, Nova Scotia. Wives lost their husbands. Children lost their fathers. Parents lost their sons.

There is a long history of mining in Nova Scotia. Cape Breton, Springhill and Pictou county were all once sources of coal exported around the world. Now they are silent. Also silent are those who died in search of coal. They are gone but not forgotten.

Let us remember those 26 miners who died on this day a decade ago.

The Speaker: In honour of the 10th anniversary of the Westray mine disaster, I would ask that the House stand for a moment of silence.

[Editor's Note: The House stood in silence)

ORAL QUESTION PERIOD

● (1415)

[*English*]

GOVERNMENT CONTRACTS

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, as the auditor general said, Canadian taxpayers deserve better than this. All the Liberals want to do is reward their friends. It is not about good government. It is not about the priorities of taxpayers. It is all about the Liberal gravy train.

The RCMP will look into criminal aspects of this. The auditor general examined business practices. Who will expose the Liberal cultural corruption? Why not a full independent judicial inquiry?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the auditor general's report was tabled in the House yesterday as the hon. member knows. The issue has now been referred to the RCMP as was requested by a number of members of this House, including members of his own party.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, let me quote another wise woman who wanted the government to root out corruption. She said:

> If the Criminal Code stopped everyone from robbing a bank, we would have no bank robbers in Canada. Anybody who expects...to absolve this Government of a litany of corruption, a litany of scandals and a litany of self-aggrandizement and self-benefit—

—it will not.

That was said by the present Minister of Canadian Heritage in 1988.

If a criminal investigation was not good enough for the Liberals in opposition, why should Canadians accept anything less than a full public inquiry to root out the culture of corruption in this government?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, as I indicated to the hon. member a moment ago, it was members of his own party who asked for an RCMP investigation. The matter has been referred to the RCMP by the auditor general, and the hon. member said that was part of it.

The auditor general, who is an officer of this House, has undertaken a full review as part of her work and will present a report.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I have an another quote that was made on November 24, 1992 by the member for Glengarry—Prescott—Russell when he said to the Tory government at the time:

> Therefore, I would ask the minister the following: when will this old and tired government learn that the taxpayers' money does not belong to the Tories and that they cannot use it to reward their friends?

This government had the Shawinigate boondoggle and smelly land deals. When will the government call an independent judicial inquiry into this issue?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member across wants to quote. Let me give him a quote, "Why not have an RCMP investigation at the same time". That was said by the member for Edmonton—Strathcona, if he was himself that day.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, let us say again that the RCMP investigation is just fine for criminal matters and the auditor general, an independent officer of this House, has done a real good job with the accounting and business practices. What about the culture of corruption that we see across the way? Who will look after the culture of corruption?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member said that the RCMP is just fine. Yesterday his leader said in an interview on national television that the RCMP could not be trusted to do this work because the commissioner of the RCMP, according to him, was tantamount to a deputy minister. That is how much he knows of how this place works after having been here for three decades.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, I suppose directing attention to someone else might be a good tactic but on this one the minister will not to get away with it.

This is about a culture of corruption. The minister, when stood on this side of the House, said that a culture of corruption should be wiped out. He was right. When are we going to wipe out the culture of corruption that exists over there?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, obviously there was no question in what the hon. member just said. Nonetheless, let me continue by answering like this.

Yesterday I announced a number of measures to ensure that we have the highest level of transparency into contracts that deal with sponsorships. The member knows that I announced those yesterday, and today he is not even asking questions about how this new system will work.

● (1420)

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, despite the revelations made by the auditor general, the Prime Minister refuses to shed light on the political ramifications of the awarding of sponsorship contracts by his government.

As far as he is concerned, the investigations that will be launched by the RCMP and the auditor general are more than enough.

Does the public works minister realize that the RCMP investigation will only focus on Groupaction, that the auditor general's investigation will be restricted to management practices, and that a public inquiry is necessary to determine the political role played by ministers in the awarding of contracts to friends of the government?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I believe there are a couple of inaccuracies in the question of the hon. leader of the Bloc Quebecois.

First, there is no RCMP investigation yet. The case was referred to the RCMP to determine if an investigation is called for.

Second, the hon. member said that the Auditor General of Canada will only look at sponsorship contracts. This is not what she said yesterday and what she wrote in her report.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the auditor general only referred to the management aspect. The investigation has been referred to the RCMP. We are telling the minister that this is not enough, because the RCMP will only investigate Groupaction, it will only investigate a limited number of contracts.

There is political interference in this case. Orders were given to senior public servants by Liberals, including an ambassador who is in Denmark and some of his peers who are still here.

Therefore, I am asking the minister if the government will object to a public inquiry that would shed light on the stench of corruption that emanates from this government?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I will quote a comment made on May 7, 2002 by the hon. member for Longueuil. I believe she represents the party opposite. While directing a question to me, she said:

> —call for a police investigation, or rush to consult the ethics counsellor—

This is what she asked. We said yes. This is the second time that we say yes to a question asked by the hon. member, and the answer is still yes, because we believe in transparency and we want to make things better.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, what the minister needs to understand is that, with every passing day, something new is coming out and only a public inquiry can shed light in what has gone on. That is what we are coming to realize.

On December 4, the President of the Treasury Board made the following statement:

> —our contracting policy is very clear. It is respected by all departments, including Public Works Canada.

How could the President of the Treasury Board make such a statement about public works respecting the policy, knowing what we know today, unless she too was trying to put a lid on things?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, such accusations are not called for.

The hon. member has read yesterday's report by the auditor general, just as I have. He knows very well what it is all about. He knows that the auditor general spoke of three contracts and cautioned against generalizing. She said that yesterday, and again this morning in a national TV interview.

If the auditor general, an officer of this parliament, tells us that there must be no such generalization, why is the hon. member over there doing so?

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, since the minister of public works has decided to come to the rescue of the President of the Treasury Board, we will look at his own words:

On March 11, he said the following:

> Both contracts were in fact prepared in accordance with treasury board guidelines.

Having carried out a check in his own department in response to our questions, how could he not have noticed what the auditor general found so obvious that she realized it within days of starting her investigation? What is he, as the minister, trying to hide?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have not tried to hide anything, as everyone knows. I myself was the one to announce here in this House on March 19 that I had asked the Auditor General of Canada to cast light on this matter, and that is what she has done.

At that time, I also made a commitment to make the report public. Forty-eight hours after I was informed of the report, I myself tabled it in the House, still in the same effort to ensure transparency. I shall continue in the same way, as I most definitely do not wish to hide anything.

● (1425)

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, over the last few years leading up to 2000, Groupaction Marketing and Groupaction-Gosselin, between the two of them, contributed over $136,000 to the Liberal Party, not quite the rumoured 10% but almost 8.5%.

Does the minister himself not see the inappropriateness of the fact that these donations stand alongside the discoveries of the auditor general with respect to these contracts? I say to the minister, would he not consider a public inquiry? An RCMP inquiry has its place but it is secretive, it is not open, and we need the public—

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, on an RCMP inquiry, should there be one, that determination will be made by the RCMP. Of course, as was said yesterday and as I said and as I believe the Prime Minister said too, if anyone committed any harm, these people will be brought to justice.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, they say that smell is the strongest sense we have with respect to memory. I ask the minister himself: does he not remember when he and I experienced the same aroma that we have in the House today when the Mulroney government was in power? He did not like that smell then. He did not like the stench. What is he going to do about it now when it is on his own side?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I say to the hon. member across, it is I who asked the Auditor General of Canada to do this report. It is I who tabled this report in the House of Commons. It is I who wanted transparency. It is I who wants to do these things right. With the support of members, hopefully on all sides of the House, that is what we are doing, that is what we will continue to do and we will strive to do even better.

[*Translation*]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, does the government respect the independence of the auditor general?

Will it co-operate fully with her during her government-wide audit of advertising and sponsorship programs and contracts?

If necessary, will it ensure that the former minister of public works is called back so that he can testify?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): In response to the first question—there were several—as to whether we will give the auditor general all the necessary co-operation, my answer is certainly, Mr. Speaker.

That is what we did for the first document. She said so herself yesterday, at a nationally televised press conference, and so on. That is how we have operated, and we intend to continue in the same vein.

[*English*]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, let me ask whoever the acting Prime Minister is. On June 12, 1991, the Prime Minister said:

> —when we form the government, every minister in the cabinet that I will be presiding over will have to take full responsibility for what is going on in his department. If there is any bungling in the department, nobody will be singled out. The minister will have to take the responsibility.

Does the Prime Minister's rule apply to Alfonso Gagliano?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the words of the Prime Minister expressed at that time remain—

Some hon. members: Oh, oh.

The Speaker: Order, please. We have to be able to hear the response as well as the question. The hon. Minister of the Environment is trying to answer. We will want to hear this.

Hon. David Anderson: Mr. Speaker, the words the Prime Minister expressed at the beginning of his government remain in force. We have exactly the same positions we had then.

I might point out to the right hon. gentleman, who was a member of the government previous to ours, that the reason we put in place such standards was because of the lack of them in the previous government.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, the auditor general looked at a scant three contracts out of the thousands this past month and, surprise, surprise, all three were a blatant waste of taxpayers' dollars. According to the auditor general, the Liberal government consistently breaks the rules: business as usual.

Will the public works minister announce right now that all discretionary finances and advertising for these guys on the front row over there will be suspended today?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am not sure what he is referring to by so-called discretionary spending. All I can tell him is that the standing offer agreement that we had with the company in question was suspended. There were no further drawdowns from March 19.

Yesterday I announced that I was continuing that suspension, first, because the auditor general is continuing her work and, second, because she had referred the matter to the RCMP.

● (1430)

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Thankfully, Mr. Speaker, the auditor general is going to dig a little deeper than the minister did in his own department.

The problem with these types of contracts is blatantly clear. A five point plan or a fifty point plan will not change the fact that $500 million has disappeared down this Liberal sinkhole in the last nine years. There is a pattern here.

How can Canadians even begin to trust the Liberal government to change the way it does business when it is clear that its idea of financial fundamentals is to line its own pockets?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I will forget the ridiculous allegation made in the last part of the hon. member's question.

In the first part of it, when he alleges that the entire budget of sponsorship is a waste of money, which is what he just said, maybe he should turn around and ask all of his colleagues who send me letters of support, who ask me to fund different activities in his riding, including in his own city and in his own province and so on, whether they are advocating a waste of money the way he just accused his own colleagues of doing.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, now that the auditor general has uncovered the dubious practices of the Liberal administration, the government's strategy consists in having Liberal members discredit the auditor general, the very one whose work the minister of public works said not so long ago was of unimpeachable integrity.

Are we to understand that in order to save its hide, the government has been reduced to the oldest strategy in the book, that of blaming the messenger?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): No, Mr. Speaker. In my opinion, the auditor general, an officer of this House, is acting in an entirely impartial manner.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, is the minister of public works going to call his colleagues, who are trying to discredit the auditor general, to order? Will he go after these members and tell them what he is telling us here, which is that she is doing an excellent job, that her work is irreproachable, and that what is going on is completely unacceptable? That is what we are asking.

Will he call to order the Liberal sheep who are busy discrediting the auditor general?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, to use the hon. member's words, I can confirm that in my opinion and in the opinion of the government, the auditor general's work is irreproachable. Those are his words. I agree.

[*English*]

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it is pretty clear what the government is trying to do. Questions about criminal behaviour are only the tip of the problem. Beneath that tip sits a mountain of corrupt, unethical behaviour directed by the most senior levels of the government.

Why does the government not admit that the only reason it is stonewalling a public inquiry is because it would expose that mountain of corruption that has become the foundation of this government?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the auditor general yesterday reported on what she qualified as the conduct of two officials. Those are her words.

He refers to that as a so-called mountain. The hon. member should differentiate between what he calls a mountain and the actual size of the molehill.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the reason the minister cannot see the corruption is the same reason that fish do not notice water: It is because it is the environment they live in.

The government might be comfortable with this culture of corruption, but Canadians are sick of this minister's arrogance. When will the minister admit that the reason for stonewalling the public inquiry is that it would expose this culture of corruption that is the premise of this government?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, in this case I think I will answer the preamble of the hon. member's question. I probably have most of the faults in the world, but I do not think that arrogance is one of them.

[*Translation*]

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, because of the flagrant violation of treasury board rules in the Groupaction affair, the auditor general has broadened her investigation to include advertising and sponsorship contracts handed out by all departments.

Given the auditor general's scathing indictment, how can the government continue to claim that it is public servants who are responsible for this whole mess and that there is no political blame to be laid, when Liberal cronies have so richly benefited?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am claiming nothing. I read the auditor general's report. I suggest the hon. member do likewise.

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, given that the link between the contracts handed out in violation of the rules, Liberal cronies and the party's election fund is so direct, will the government not acknowledge that the burden of proof now rests on its shoulders, and that only a public inquiry will prove that we have gotten to the bottom of this matter?

● (1435)

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member opposite is contradicting some of his own colleagues, who asked for an RCMP investigation a few days ago.

Indeed, the matter was referred to the RCMP. They will determine if an investigation is warranted.

As we all now know, the auditor general is conducting her own detailed review of the communications activities of the government, as well as of all crown corporations.

[*English*]

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, with the auditor general's report, most Canadians are outraged, so my question for the government is straightforward.

With the Prime Minister hiding in Europe and Alfonso Gagliano hidden in an embassy, who on the government benches is going to stand up in the House today and apologize to Canadians for this rampant corruption? Who will stand and apologize?

Some hon. members: Oh, oh.

The Speaker: Order, please. Once again it is clear that we have a popular member who has taken the floor, but we have to be able to hear the response.

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the seriousness of the hon. member's question is shown by the fact that his colleagues seem to have no interest whatsoever in the reply.

The fact is that the Prime Minister is attending important meetings in Europe with the European Commission and the European Union. He is currently, as we know, discussing matters of considerable importance to Canada. The Deputy Prime Minister is in New York, similarly on a very important mission for the country. These are perfectly normal trips and nothing to draw attention to.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, it is embarrassing to think that a group of adults, let alone the executive branch of a G-8 nation, cannot summon the will and display the simple decency of admitting to wrongdoing and apologize to those whom they have wronged.

I invite any cabinet member to rise in this place today and apologize to Canadians for this corruption. Will anybody over there do that simple act of decency?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, it has been made abundantly clear in the House by the Prime Minister, the Deputy Prime Minister and the Minister of Public Works and Government Services that when there are issues which lead to the concern over corruption, the appropriate path is for the material and information to be placed in the hands of the authorities so an impartial investigation can be carried out.

If that were done by the opposition which is so quick to use the word corruption, perhaps then we could get to the bottom of these things. There is a constant stream of accusations happening here with no—

The Speaker: The hon. member for Nickel Belt.

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DANGEROUS OFFENDERS

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, my question is for the solicitor general.

Under Correctional Service of Canada policy, the country's most dangerous and violent criminals only have to spend the first two years of their sentences in maximum security.

Why does the solicitor general not make sure that justice is done for the victims and society and do what is right and increase the time violent offenders spend in maximum security? If he will not act, why does he not give judges the power to determine the time violent offenders spend in maximum security?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to inform my hon. colleague that is what the government has done.

The policy to which he refers was put in place last year to make sure those convicted of first or second degree murder spend a minimum of two years in a maximum security institution. The minimum is two years. In Canada offenders spend on average 28.4 years in prison. That is much longer than they do in the United States.

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THE ENVIRONMENT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of the Environment.

The government has had years to come up with a credible plan for ratifying Kyoto. Now we see how hollow its commitment is. The Prime Minister said yesterday in Europe that Canada cannot commit to Kyoto until the issue of clean energy credits is resolved.

Why has the government not invested in environmental measures that would allow the government now to commit to Kyoto? The time for talk is over. The time for action is now. What is the government's action plan that will allow it to make that commitment on behalf of the Canadian people?

● (1440)

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, in Spain the right hon. Prime Minister reiterated for the Europeans a position which he made clear in the House, that clean energy exports are a very important part of our discussions with other countries, particularly the Europeans.

The hon. member comes from Saskatchewan and is also a member of the NDP. I would ask him why is it that the NDP premier of Saskatchewan does not appear to be enthusiastic in following the route the member proposed?

* * *

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, Canadians have been waiting almost a decade for parliament to act and make decisions on assisted human reproduction. They expected parliament to make decisions on critical issues like stem cell research, private ownership of life forms, protection of women's health and infertility prevention.

What did we get from the government today? We got a piece of legislation that abdicates the role and responsibility of parliament to decide. It is another case of Liberal avoidance and deferral to an appointed body. Why did the government decide to buck the critical issues and defer these important matters to an appointed body as opposed to putting the matter before parliament to decide for the people of Canada?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, the legislation we introduced today, which is very important, deals with protection for infertile couples. It prohibits certain practices that all Canadians agree should be prohibited, like human cloning, and it regulates certain other practices.

I find it somewhat ironic that the hon. member is criticizing the fact that we have established an independent regulatory agency outside the Department of Health to license infertility clinics, to monitor and inspect them and to carry out certain other regulatory functions. The Standing Committee on Health asked exactly for that.

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LEWISPORTE MARINE TERMINAL

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, federal government policies are causing the closure of the federally owned marine terminal at Lewisporte, Newfoundland with a loss of 30 or 40 critical jobs. It puts the whole future of the community in question.

What plan does the government have to deal with the devastating impact on this small rural town in Newfoundland?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I had the privilege to meet with officials from the town of Lewisporte several days ago. I met with them to discuss impacts from the reduction in service.

As well, we discussed opportunities and ideas they had to promote economic development and growth in their community. I am pleased to continue that work. I will be meeting again with the town of Lewisporte in the not too distant future to come up with concrete solutions and ideas for the town.

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FISHERIES

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, a minute ago the Minister of the Environment said that the Prime Minister was in Spain discussing "important business".

Did that important business include approaching the Spanish president about the serious overfishing on the Grand Banks? Did the Prime Minister specifically seek support for the Canadian proposal that would take quotas away from countries that overfish and impose lifetime bans on captains? Or is Newfoundland not important business?

[*Translation*]

Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the issue of overfishing outside the 200 mile zone is a very important one.

The minister has made a commitment to speak to the various international stakeholders regarding this problem.

We feel that negotiation is the route that will lead to a lasting solution for the good of the people of Newfoundland, and so that is the way we have opted to go.

[*English*]

GOVERNMENT CONTRACTS

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, Groupaction has defended its $1.6 million fee for a few hundred pages of photocopies by stating that it followed accepted practice. If this is accepted practice of the Liberal government, a police investigation simply is not enough. Why will the Prime Minister not establish a full public inquiry to see what the established practice of the government is?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the auditor general reported yesterday that she does not agree that this is accepted practice. As a matter of fact she disagrees. That is why she has referred the issue to the RCMP and she is going to do a wider audit herself. It is not at all what the hon. member said.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, it is what Groupaction said.

The Liberal government now is in full denial mode. Last week it blamed the media and the public for being cynical about corruption in this country. Now it has the audacity to criticize the auditor general for doing her hard work.

Only an independent public inquiry will tell us who is telling the truth, the independent auditor general or Liberal ministers with their hands in the cookie jar. Who is telling the truth?

● (1445)

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, first, we are not denying that the auditor general did her report. We thanked her. Second, we agreed with the auditor general in terms of the assessment and said we fully co-operated with her.

I do not know who wrote that question. Perhaps the individual should have first read the report produced by the auditor general.

[*Translation*]

Ms. Francine Lalonde (Mercier, BQ): According to the Prime Minister, the appointment of Alfonso Gagliano to Denmark was not in any way a problem, since he was not the object of any allegations. Now, with the recent comments by the auditor general, the Canadian ambassador to Denmark has become the key witness in the coming police investigation.

In light of the very defence used by the Prime Minister, has the time not come to recall Alfonso Gagliano?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, it would be important to make one clarification. Contrary to the allegation the member across the way has just made, to date, there has been any police investigation. It is up to the RCMP—again, I invite the hon. member to read the report—to determine if there are grounds for one.

If it does decide there are grounds for one, there will be one. No indication of one has been given. The matter has been referred to the RCMP. That is not the same thing. I am sure the hon. member knows the difference.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, given the revelations of the auditor general, it is now obvious to all that Alfonso Gagliano is at the centre of the scandal of concern to us here.

What is this government waiting for before recalling this man who ought never to have ben appointed ambassador, given the situation, in order to have him testify about his actions in a public inquiry?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, a moment ago, the hon. member informed us, or claimed, that a police investigation was underway. Now she has determined that a public inquiry is underway, in addition to the police investigation, which also has not yet begun.

The hon. member has made two mistakes in as many questions.

[*English*]

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, under the Liberal government's culture of corruption its first response is to play the blame game: let us blame the media; let us blame the opposition; let us blame old ministers; and now let us blame the auditor general.

Why will the Liberal government not own up to the fact that the culture of corruption is one that it has created and recognize that the Liberals are the ones to blame?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): On the contrary, Mr. Speaker, I support the work of the auditor general. I asked her to do this report and I tabled it in the House of Commons. The hon. member knows that.

Perhaps he should ask a question of his party's public works critic who questioned that the auditor general was an officer of this House. He said that she was an officer of the government in this House only two days ago.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, the public works minister lamely says that the problem has been fixed and he accepts the auditor general's report, but the Deputy Prime Minister spins that this is nothing more than an administrative error. Now the lapdog backbenchers come out and say that no, it is the auditor general and her process that is at fault.

When will members of the government stop playing the blame game and realize that they are the ones who are at fault?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the contradictions are just remarkable today. In the first question the hon. member asked me why I was not supporting the auditor general and in the second one he said that he accepts that the minister is supporting the auditor general. I wonder which is his real opinion.

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[*Translation*]

IMMIGRATION

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

One of the questions we are asked most often by our constituents, whether in connection with sponsoring a family member or regarding permanent residence in Canada for a spouse, is what is the status of their file.

This being Canada's Information Technology Week, can the minister tell us how he intends to respond to their more than legitimate question?

● (1450)

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, this is an extremely important question. Our priority is the efficiency and effectiveness of the system.

This week I had the pleasure of officially launching a new Internet service on my department's website.This service will allow some of our clients to obtain information electronically, 24 hours a day, seven days a week. The opposition is not interested in this but the public is. Through this service, people will be able to obtain information on applications for sponsorship or for certain categories of permanent residence, such as family class or spouse.

Finally, our clients can easily track their file at www@cic.gc.ca.

* * *

[*English*]

MIDDLE EAST

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the Prime Minister's betrayal of Canadians does not stop with misusing public money for his own political gain. Now he is also gambling Canada's safety and security so he can grandstand on the international stage. He has offered to bring nine Palestinian terrorists into our country.

Is the Prime Minister hoping to distract from Liberal corruption at home by taking in terrorists from abroad?

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, we have received no request, nor have we made any offers about this situation. Canada has not been involved in the negotiations to bring an end to the impasse at the Church of the Nativity, though we have encouraged both sides to end the advancement of violence.

Be assured, Mr. Speaker, that we have always acted and we will continue to act in the best interests of Canadians and in Canadian security.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, unfortunately that is not what came out of the Prime Minister's mouth. He offered to take these terrorists. Spain has absolutely rejected taking in these terrorists and said doing so would "expose our country to a series of serious risks".

Hon. Sheila Copps: Milosevic.

Mrs. Diane Ablonczy: CSIS has already identified 50 terrorist groups operating from within Canada. Why on earth would our Prime Minister invite more hardened terrorists into our country?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we have to be very prudent. Let me reiterate what the Prime Minister said. He said that anything we can do we will do. There is at this time no request for anyone to ask these people to come to Canada. We are supportive of the peace process but for now, no request was made.

[*Translation*]

GOVERNMENT CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday, we mentioned the amounts paid in 2001 by the federal government to advertise in *L'Almanach du peuple*.

Here are the figures for 2002: for the same number of pages, that is 138 pages for Ottawa and 139 pages for Quebec, Quebec paid $58,000, while Ottawa shelled out $668,140. This is for the same number of pages. Mr. Speaker, you are feeling hot because this is truly a burning question.

I would like to know where the overpayment of $610,000 made to *L'Almanach du peuple* went. Why did the federal government pay $610,000 more than the Quebec government for the same number of pages?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the party leader raised this issue yesterday in the House. I asked departmental officials to look into this matter to find out if it is the same thing in both cases, to determine if these are production costs in one case, if other related costs are involved, and so on.

I asked all these questions yesterday. I will inform the House as soon as I get answers.

* * *

[*English*]

INNOVATION STRATEGY

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, earlier this year the Ministers of Human Resources Development and Industry launched Canada's innovation strategy. The strategy sets out challenges for Canada to remain competitive in a knowledge based economy and recognizes that a long term national commitment and partnership are required if Canada is to take full advantage of the economic potential from the global economy.

Could the Minister of Industry tell the House what he is doing to engage the private sector, academia, all levels of government, Canadians, labour and members of the House in the dialogue about innovation?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the hon. member, in his capacity as chair of the industry committee, has contributed greatly to the preparation of the innovation strategy and I thank him for that contribution.

In February we launched the strategy. We will spend the next few months ensuring that we have it right. We launched today the process of dialogue with Canadians. We have broad support for the dialogue from universities and colleges, labour unions and the private sector.

We intend to use the next few months to ensure we have a concrete plan that we can put before Canadians as a national objective to exploit the full potential of the country, to increase our standard of living and to protect the quality of our lives.

That is our objective and today was an important start toward that goal.

● (1455)

GOVERNMENT CONTRACTS

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, let me quote the auditor general from yesterday.

> "This is a completely unacceptable way for government to do business. Canadian taxpayers deserve better," said Ms. Fraser.

What we have seen today is a smorgasbord of sleaze, a banquet of blunders, a feast of failure, a panoply of pork and a cornucopia of corruption. When will we get our independent inquiry?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I apologize to the hon. member. I did not hear the totality of the question he just asked. However I want to tell the hon. member that I announced yesterday a series of measures to make the system better and more transparent. They follow a series of other measures that I announced immediately after my arrival, in early February as a matter of fact. They are already on the website of my department. I have referred to them in the House of Commons in the past.

Finally, the auditor general will have a follow up report and then of course she has referred the matter to the RCMP.

* * *

[*Translation*]

SOFTWOOD LUMBER

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the government's proposed $95 million plan to supposedly assist the softwood lumber industry is insufficient and does not meet the immediate needs of the industry or workers.

Does the government understand that the survival of the softwood lumber industry in Quebec and Canada is at stake, and that all industry stakeholders are demanding nothing less than a serious rescue plan directly targeting large and small sawmills as well as workers?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, we are fully aware of the impact the American actions are having and will have on communities and on the industry in Quebec and elsewhere.

The Government of Quebec has made a positive contribution to Canada-wide efforts to communicate to the U.S. that the duties that have been imposed are unfair and unacceptable.

We will continue to work with our partners in Quebec and elsewhere to ensure that the U.S. is fully aware of our position.

* * *

[*English*]

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, just about a year ago the health minister stood in the House and voted in favour of warning labels about fetal alcohol syndrome on all beer, wine and liquor bottles. Suddenly this week the health minister revealed she has no intention of keeping her word or respecting the wishes of parliament.

Why? Does this have anything to do with the more than $134,000 in campaign donations the Liberals received in the last election from breweries and distilleries? Is this why the minister changed her mind out of the blue?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, no one has changed his or her mind out of the blue. As the hon. member should know, we are reviewing the whole question of mandatory labelling.

As I have told the individual member, surely we must all be focused on the most effective strategies and the best use of our resources to deal with issues like fetal alcohol syndrome and fetal alcohol effects. I would ask the hon. member, as opposed to standing here and suggesting to the public that there are easy answers to complex questions, that she work with us to determine what the most effective strategies are to deal with the issue of fetal alcohol syndrome and its effects.

* * *

NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, some of the families of our men in Afghanistan have been asked by their sons to send them some food. They have to go to a U.S. mess to eat. We do not have a Canadian mess over there and they say the food is absolutely horrible. Also, some of them have lost 30 pounds in three months and are wearing winter uniforms in 49°C temperature.

Will the Minister of National Defence today give a commitment and tell us in the House that he will look into this situation, that he will ensure they have the right food and the right clothes and that he will do it today?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we do not need to do it today because we did it right from day one.

These are not five star hotel or restaurant facilities by any means. It is a very desolate place over there. However our troops are doing their job. They are getting three meals a day. There is a cafeteria operation there. When they are out in the field they do get food rations. I have experienced some of that food myself.

I can tell members that every effort is being made to ensure that the nutrition is appropriate and they are properly fed and properly clothed.

* * *

● (1500)

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I rise on a point of order. During question period when the member for Calgary—Nose Hill was asking a question, the minister for heritage yelled across "Mrs. Milosevic".

That is totally unacceptable and I would ask her to withdraw.

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, my comments were in reference to the fact that the member across has a tendency of exaggerating as she did in her comments on Milosevic.

The Speaker: Order, please. I am reluctant to go down this road. I am not sure that the Leader of the Opposition suggested the remark was in some way naming somebody. I do not know, names do get bandied about.

I assume there is such a person as the hon. Leader of the Opposition just mentioned. It was evidently mentioned by the Minister of Canadian Heritage but whether the remark was directed at the member for Calgary—Nose Hill is a matter of speculation. I could not hear what the minister said, because there was so much noise when she was on her feet, but I will review the blues and get back to the House if necessary on this point.

* * *

BUSINESS OF THE HOUSE

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I would like to ask the government House leader if he could tell us what will happen for the rest of today, tomorrow and the week after next? Since we do not mind the sleaze coming from the other side, would he like to sit next week and keep the House going so we can get some answers for Canadians?

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, first, I would like to congratulate the House on the progress that was made earlier today with respect to one very important piece of legislation, Bill C-55. I hope that progress can continue through all stages of that legislation when the House returns to it.

[*Translation*]

This afternoon and tomorrow, we will continue with Bill C-47, the excise bill, Bill S-40, respecting clearing houses, and Bill C-15B, the criminal code amendments.

[*English*]

Next week is a scheduled constituency week and I am sure the Leader of the Opposition knows the rather elaborate procedure that must be gone through to change that process. It is not an easy thing to do. However next week members will be at work in their constituencies.

When we return on May 21, I would expect then to return to Bill C-47, if it is not already completed. We then would turn our consideration to the very important legislation introduced earlier today with respect to reproductive technologies, that bill introduced by the Minister of Health. I would also in that week that we are back hope to make further and better progress on Bill C-5 concerning species at risk.

I would confirm the earlier commitment that I made to the Leader of the Opposition that Thursday, May 23 will be an allotted day.

The Speaker: I have a notice of a question of privilege from the hon. member for Lakeland.

PRIVILEGE

NATIONAL DEFENCE

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, I rise today under the provisions of Standing Order 48. I regret that I must bring this matter to your attention today. It has been demonstrated that the Minister of National Defence has once again deliberately misled the House.

Over the past year and several months, the Minister of National Defence repeatedly told the House that his planning date for the entry into service of the new maritime helicopters was 2005. The minister never wavered informing the House that this was the date being planned for by his department.

On March 16, 2001, the minister was asked the following question by the member for Calgary Northeast:

> The minister has told the House and the military repeatedly that we would be getting new choppers in 2005. Does the minister still actually have a plan...

The minister responded:

> I am still hopeful that we could have them by the end of 2005.

On April 30, 2001, the minister was asked a similar question by the member for Sackville—Musquodoboit Valley—Eastern Shore. The member said:

> The minister stood in the House time and time again and said that the new helicopters would be replaced and flying in the year 2005...I ask him once again: When will those helicopters be replaced?

The minister responded:

> We have not changed any of the timeframes. I do not know why he raises the matter.

Again a few months later in the House, on November 27, 2001, the minister was asked by the member for Saint John:

> Will the minister be up front with us today, not political but up front and tell us exactly when we will get the replacements for the Sea Kings?

The minister responded:

> We will be looking to get the replacement for the Sea Kings by the end of 2005. We will work as fast as we can to achieve that.

Sadly, these statements were false and the minister new they were false. The minister had already been told on March 7, 2001, that the delivery date for the new maritime helicopters had slipped to late 2006. Since that time the delivery date has slipped even further, but throughout 2001 the minister knew that his senior departmental officials had already determined that the helicopters could not be brought into service in 2005 and that in fact would be later.

We have obtained a briefing note written by Alan Williams who is the assistant deputy minister responsible for materiel in the Department of National Defence. The briefing note is entitled, "Briefing note for the Minister of National Defence on change of schedule and estimated cost of the maritime helicopter project". That is the title and there is no ambiguity in that title at all. It is very clear. The first sentence of that briefing note states:

> To explain why the estimated delivery date for the first maritime helicopter has moved from 2005 to 2006.

That is perfectly clear. There is no ambiguity with that, saying that it has moved from 2005 to 2006. The briefing note is about a page and a half long and explains the reasons for the delay. It states that the approval of the procurement strategy was delayed during the winter because of the government's focus on the early 2000 election and because of increased interest by competitors in the competition after the government split the contract in two.

The fourth paragraph of the briefing note again leaves no doubt about the delay. It states:

> The combined impact of these two events has caused the target date for delivery of the first maritime helicopter to shift from the end of 2005 to the end of 2006.

That is what it says in the speaking note. There is no ambiguity. There is no reference of any kind to there still being a possibility of delivery in 2005. In fact it says exactly the opposite.

This briefing note was drafted on February 27, 2001 and passed to the minister on March 7, 2001. Even so, one week later the minister in answering the question put by the member for Calgary Northeast in the House said that he remained committed to the date of 2005. He of course repeated this to members many times over the next several months.

● (1505)

On May 7, just two days ago, here in the House, he was sitting before a committee of the whole to consider the defence estimates for the coming year. The member for Port Moody—Coquitlam—Port Coquitlam gave the minister the opportunity to clarify these discrepancies. He gave him a chance. Extraordinarily, the minister said:

> Madam Chairman, the member said it was my aim. I am an optimist. I am still trying to get the helicopters as quickly as we possibly can...I still stand by what I said, that by the end of the year we would like to have the helicopter named. I will make every effort to achieve that. I believe it is achievable.

That is what he said here just a couple of days ago. The minister went on to say:

> It will be difficult to make the end of 2005 but I will not change the target until we are near the end of the year, know the helicopter and see what kind of arrangement we can then make with the company with respect to speeding up and gaining some of the lost time. I am not prepared to change my aim at this point of time until I have had that opportunity.

This is not good enough. The minister has been told by his departmental officials that the delivery date of 2005 is impossible. We have the briefing notes that say that. We now know that even 2006 is virtually impossible because the pre-qualification letter which was to have been issued last month still has not been issued and has been further delayed. Yet the minister knowing all this stood in the House two days ago and said he was sticking by that.

The minister has not apologized to the House for his misleading statements, nor has he made any attempt to clear the record in this place. In fact he has explicitly refused to do so.

I find it disturbing that the minister's officials have also misled the House. For example, on June 5, 2001, Alan Williams appeared before the standing committee on national defence. He was asked the following question by the member for Sackville—Musquodoboit Valley—Eastern Shore:

> Sir, when do you expect those helicopters to be replaced? In what year?

It is a straightforward question to which Mr. Williams replied:

> Well, we won't know for sure until we complete both acquisitions. We're still hopeful for 2005. We'll have to complete both. It depends on who the winners are, whether they've had a history of working together, and how far advanced they are. We remain hopeful for 2005 while recognizing that there might be some slippage.

The truth is that Mr. Williams did know for sure because he prepared those briefing notes for the minister.

Referring to 2005, in spite of the fact that there was no question whatsoever that it would be 2006 at the earliest, and the briefing notes from Mr. Williams to the minister leaving absolutely no doubt about that whatsoever, is deliberately misleading.

I view this conduct to be inconsistent with the standards of this House and the public. It certainly is inconsistent with what we expect from members of this House. Accordingly, the minister of defence is in contempt of this House.

On February 1, in ruling on an earlier issue of privilege, Mr. Speaker, you said:

> The authorities are consistent about the need for clarity in our proceedings and about the need to ensure the integrity of the information provided by the government to the House.

On page 111 of the 22nd edition of Erskine May it states:

> The Commons may treat the making of a deliberately misleading statement as a contempt.

On page 141 of the 19th edition of Erskine May it states:

> Conspiracy to deceive either House or any committees of either House will also be treated as a breach of privilege.

Mr. Speaker, if you find this to be a prima facie question of privilege I am prepared to move the appropriate motion.

● (1510)

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, as I received no notice of this, I would like the opportunity, if you deem it needs to go further, to respond in a more detailed fashion to what the member has put before you. However I do not believe it has any merit whatsoever.

I have expressed to the House the hope that by the end of this year we would know the name of the helicopter. I stand by that. Can we get the helicopter by 2005? I think that is still quite possible. That is what the government is aiming for.

We are talking about our goals and aims. I have said that there has been slippage in the timeframe for it but I have also indicated that we hope, once the identity of the helicopter is known and that part of the competition is completed, we will be able to make up time in the balance of the process.

That is the government position. He cites a number of official reports but those are reports of officials. They do not reflect the government position. Those are reports that officials have given to us. Yes, Mr. Williams has indicated to me that if we are not in a position to accelerate the process then we will be beyond 2005. However he has also indicated to me that there is the possibility that we could accelerate the process.

Until we get beyond this next phase, which will help determine which helicopter we will purchase in this procurement process, we do not know precisely what date we are talking about. Therefore we are not changing our aims with respect to when we want to have the helicopter. We want it as soon as we possibly can.

That is my preliminary response to the member's statement. Certainly, Mr. Speaker, if you intend to proceed with this any further I would want to respond in a more fulsome fashion, although I cannot imagine why that statement has any merit.

● (1515)

The Speaker: The Chair is quite prepared to deal with this matter at once.

I know the hon. member for Lakeland has raised this matter believing it to be a very serious issue. It may be. However I listened very carefully to his argument and I heard the remarks of the minister in response, which only confirms the answer that he apparently gave in committee of the whole on Tuesday night, for which I have the *Hansard*.

The combination of the submissions to me indicate that the minister received a briefing note concerning this matter, which the hon. member for Lakeland has obtained and which contains information that would appear to contradict the minister's answers in the House.

The minister is the minister. He is not the person drafting the briefing note and is free to accept or reject the advice he receives in a briefing note, just as if I as Speaker were to receive briefing notes from the clerks advising me that something is possible or not possible I would be free to accept or reject that advice. I must make the final decision. The briefing note might be correct in my view or might not be correct and I must make the decision.

The minister in the same way is entitled to express his view as to when he will have helicopters. It may turn out that it is incorrect by circumstances but if his aim is to do it by that date and he believes that is what he will do he is entitled to make that statement. Whatever the contents of a briefing note, they are offered as advice to a minister and a minister is free to accept, reject or overrule the advice that he is receiving. It is the minister who runs the department not the persons drafting briefing notes.

Accordingly, I must say that in my view the minister has answered these questions in a way that is consistent. The hon. member in 2006 may say that they were consistently wrong but the minister has stated his reservations both in answer to the question from the hon. member for Port Moody—Coquitlam—Port Coquitlam and in response today.

In the circumstances I am afraid I am unable to find that there is anything like an attempt here to mislead the House. Accordingly, I find there is no question of privilege that the hon. member has raised at this time.

[*Translation*]

The hon. member for Hochelaga—Maisonneuve on another question of privilege.

PRIVATE MEMBERS' BUSINESS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I would like the consent of the House to submit to you a letter signed by 81 of your colleagues. It concerns what is believed to be a breach of privilege, in connection with what happened to the hon. member for Esquimalt—Juan de Fuca. As you may recall, Mr. Speaker, one of the bills introduced by the member was first deemed votable, and later declared non-votable.

Without revisiting the ruling you have made on this issue, we would like to submit this letter in which we indicate how concerned we are as parliamentarians. We are worried that the government is using its majority to take over for the subcommittee on private members' business.

Mr. Speaker, we have put our trust in you, and rightly so, because you have always stood for the rights of members of parliament. When you were elected as the Speaker of the House, you made a commitment to ensure that the rights of all parliamentarians would be upheld.

In this letter, which is a form of petition, we respectfully submit to you that, when a private member's bill deemed votable is not voted on, this is a breach of parliamentary privilege, and we are very concerned about that. All those who signed the letter and wish to submit it to you are afraid that an unfortunate precedent has been set.

We urge you, as guardian of our freedoms and spokesperson for all members of this House, to take remedial action.

The remedial action we are seeking is for our colleague from Esquimalt—Juan de Fuca to be allowed to introduce another bill, which would be deemed votable, as soon as possible, without committing to a deadline.

To conclude, Mr. Speaker, we have complete trust in your ability to defend our privileges, but if we were to learn that the government was using its majority to take over for the subcommittee on private members' business, not only would we consider this a breach of privilege but our confidence in the rules by which this House operates would be gravely shaken and undermined.

● (1520)

[*English*]

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, over the last number of weeks the issue of how best to handle private members' business has been a subject that has preoccupied members on all sides of the House, and I think seriously so.

There has been most recently a discussion of this matter in a round table organized by the House committee on procedure and House affairs to revisit this whole question of how private members' business, on behalf of all members of the House, not just the government or just the opposition or any party in the House, can best be advanced in the interest of parliament and in the interest of the democratic process.

My first point is that this is not a partisan matter that pits government against opposition or one party against another. We all want to see private members' business properly and respectfully managed.

Second, with respect to the particular item that was referred to by the hon. member having to do with the earlier private members' business proposed by the member for Esquimalt—Juan de Fuca, the suggestion has been made that the government in some way took steps to make that particular item of business non-votable. In fact the record will show that is not true. There was a vote on the matter. A motion was made, that motion was amended and the vote was taken. In effect, there was a vote.

The outcome that the House arrived at is that the subject matter of that bill is not dead. The subject matter of that bill is alive in a committee of this House, the special parliamentary committee on the non-medical use of drugs. I fully expect that committee, chaired by a member on this side with a very distinguished vice-chair from the opposition, will deliberate on this matter along with any other matters having to do with the nonmedical use of drugs.

In due course that committee will make a report to the House. I fully expect the House will want to act upon that report in full context at the time.

The subject matter of that particular private member's item is still very much before the parliamentary process in the context where all members of parliament will be able to deliberate upon it.

Finally, let me make this point. It is important that we find better and improved ways to deal with the management of private members' business.

Mr. Réal Ménard: Respect the rules.

Hon. Ralph Goodale: The hon. gentlemen says that we should respect the rules, and I agree entirely. That is what has happened in this case and I intend to ensure that the rules are respected.

When a motion is made it may be amended and a vote may be taken. Surely the hon. gentlemen across the way understand that at any moment in the House a member of parliament may make a motion, and it is perfectly within the rules for another member of parliament to amend the motion, and in due course a vote is taken. That is the way the rules exist at the present time.

If what we are hearing from the opposition and from other members in the House is that particular procedure ought not to apply to private members' business, then fine, let us change the rules.

Under the auspices of the House leaders and of the Standing Committee on Procedure and House Affairs very honest and sincere attempts are being made to find better ways to manage House business on behalf of all members. This is not a partisan issue. This is not an issue that sets government against opposition or one party against another. It is an issue in which all of us have a vital interest. We can deal with it substantively or we can deal with it through nonsensical heckling. I prefer to deal with it substantively, and that is what the government intends to do with the co-operation of every member of the House who intends goodwill on the subject matter.

● (1525)

[*Translation*]

The Speaker: Order, please. This is not debate. This is a point of order. The Chair is ready to put an end to this discussion at this time.

The hon. member for Hochelaga—Maisonneuve has submitted a letter to the Chair. I have received it and read what it said.

However, the issue raised in the letter really concerns private members' business.

Mr. Réal Ménard: It concerns the Speaker and the members.

The Speaker: The hon. member says that it concerns the Speaker and the members. But the Speaker has already ruled on the admissibility of the amendment to this bill that was put to a vote in the House.

The member for Hochelaga—Maisonneuve knows full well that the Speaker always has to draw the line between the rights of various of groups of members, on either side of the House or in party.

In this case, it has been suggested that the decision of the majority on the question put to the House regarding the amendment to the motion at second reading stage of this bill was somehow out of order.

I have already ruled otherwise. I think that the important thing here is that, if some members insist that this type of amendment is out of order, then other members will make the argument that it is in order. The Speaker is always in the middle of these arguments and has to decide.

Based on the precedents that I have examined in order to rule on this matter, I have come to the conclusion that such an amendment to any bill before the House is in order.

A study on private members' business is currently underway at the Standing Committee on Procedure and House Affairs. The government House leader strongly suggested that the committee undertake this kind of study, and the study will continue.

The hon. member for Hochelaga—Maisonneuve may have attended the committee meeting last week. I do not recall the date though. There will certainly be other opportunities for the committee to examine this issue.

What I can do—and will do so immediately this afternoon—is to send this letter to the chair of the Standing Committee on Procedure and House Affairs, suggesting that the committee examine the proposals contained in this letter to change the rules concerning private members' business, as suggested by the member for Hochelaga—Maisonneuve.

I am certain that the hon. member and his colleagues who signed the letter can appear before the committee to encourage it to rule on that point and, perhaps, recommend changes to the standing orders of the House.

These are the rules that the Speaker has to enforce here in the House. I do not have the authority to change them. I have to follow the rules and be the servant to the House.

The rules whereby amendments are deemed in order or out of order are made by the House. If the House wants to change the rules, as Speaker of the House, I will be happy to implement the changes.

I can assure the hon. member that I will immediately send the letter to the chair of the committee.

● (1530)

Mr. Réal Ménard: Mr. Speaker, I rise on a point of order concerning the understanding of the ruling.

I thank you for your sensitivity. I was sure of it, but I want to be sure of one thing. We are appealing to you because you are the guardian of our freedoms. We do not dispute the government's right to defeat a bill but in this case, there was no vote.

What I am asking is that when you write to the chair of the subcommittee on private members business are you going to ensure that remedial action is taken concerning the hon. member for Esquimalt—Juan de Fuca?

We do not want generalities. We want positive remedial action in connection with the violation that our colleague has suffered.

Are you going to stress this aspect of the reason for our appealing to you?

The Speaker: I have indicated that the amendment to the motion at second reading stage of the bill put forward by the hon. member for Esquimalt—Juan de Fuca was in order and admissible. The House decided to adopt it. I am not the one who came to that decision, but the majority of members, in a division in this House.

If the hon. member wishes to see a vote on the motion at second reading stage, the majority can reject that motion and refer the whole matter to committee. The majority, however, decided otherwise. As the hon. member knows very well, it is hard for the Chair to change this.

The matter will therefore be reviewed in the Standing Committee on Procedure and House Affairs. I am sure that the hon. member, who has some very persuasive arguments, can go before the committee in order to persuade the members that his position is the right one, the accurate one, and the one the House needs to adopt.

* * *

[*English*]

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, my point of order arises out of question period.

Begging the indulgence of the House, in keeping with the respectful nature of the moment of silence and the tributes that were paid in the House commemorating the 10th anniversary of the Westray explosion, I referred in my remarks to a composition by a 15 year old young lady by the name of Jennifer MacDonald from Stellarton, Nova Scotia, which is in close proximity to the mine. I wonder if, in keeping with the solemnity of the occasion, I might seek unanimous consent from members present to table this handwritten copy of her poem about the Plymouth explosion so that it might form part of the public record and help mark the importance and the significance of this 10 year anniversary.

The Speaker: Does the hon. member for Pictou—Antigonish—Guysborough have the unanimous consent of the House to table the document?

Some hon. members: Agreed.

GOVERNMENT ORDERS

● (1535)

[*Translation*]

EXCISE ACT, 2001

The House resumed consideration of the motion that Bill C-47, an act respecting the taxation of spirits, wine and tobacco and the treatment of ships' stores, be read the third time and passed.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, it is now my turn to speak to Bill C-47, the Excise Act, 2001 respecting the taxation of spirits, wine and tobacco.

What is rather surprising about that bill is that for the first time, brewery products were completely excluded from it. My colleague, the member for Saint-Hyacinthe—Bagot moved amendments which were rejected. These amendments concerned microbreweries. More and more, in Quebec as elsewhere in Canada, brewery products are becoming regional products, products with a regional colour and flavour. As I said, these are products reflecting regional culture.

In the last number of years, microbreweries have enjoyed rapid growth, and several regions have developed beers of better quality, with a regional colour and flavour. Besides, those initiatives have generated jobs in the regions.

These small breweries should be encouraged and have a great future. They help develop our regions in terms of culture of flavours. However, they have started to compete with large breweries like Molson and Labatt in particular. Why are breweries excluded from the bill? Because it became obvious that small breweries held a market share that large breweries want to take over. There was intense lobbying, and representations were made to the chair of the committee looking into the issue. The result was the exclusion of breweries from the bill. In the long run, they will disappear.

Microbreweries give regional colour and they create jobs in the regions. Some want to eliminate them. With 4% of the market share, microbreweries automatically deprive the larger breweries of profits. I find it appalling that the government caved in to the lobby, arguing that we will come back to the issue later. We will, once all the microbreweries have disappeared.

For example, in 1997, there were more than 90 microbreweries in Canada. Today, because of these policies, there are only 30 left. In the riding of Portneuf, which is next to mine, there was a fine microbrewery that was a delight for the region and was putting the region on the map, so to speak. It is among those that have disappeared. Having known the owners personally, I found it hard to see it go, as it was creating jobs, especially as this worked out to the advantage of the biggest breweries.

● (1540)

Why did the government not want to deal with the taxes collected from microbreweries? It is simple. It is because it wants to replace them with American microbreweries.

For example, in the United States, the tax on microbrewery products is 9 cents a hectolitre, while it is 28 cents a hectolitre in Canada. Thus, the big breweries, Molson and Labatt, acquire the American finished product and compete on the Quebec and Canadian market, using American microbrewery products and kill our microbreweries.

It is an aberration when the government caves in to the big business lobby, which leads to the elimination of our small businesses. It is a known fact that every time microbreweries lose 1% of the market to the big breweries, the big breweries gain a further $17 million in profits.

Members will understand that, when microbreweries have 4% or 5% of the market, big breweries are worried. So they have found a way to swallow the small ones by ensuring they are no longer competitive.

This means that the 4% of the beer market that belongs to microbreweries is worth about $68 million in profits. This represents many jobs on the regional market, which is, once again, being taken over by Molson or Labatt.

We are here to make laws that will ensure greater justice. We are also here to make laws that will give regions a chance to develop. The Liberal Party, which is in power, is using its majority to crush the opposition and to pursue its agenda by having legislation passed. This is the same party that claims it represents the regions. If it were really representing the regions, it would have understood that the big breweries' lobbying was a threat to some very promising businesses at the regional level.

Not only did the government not see what was happening, but if it did, it did not care. If it realized what was happening, it helped to destroy the market for microbreweries. It excluded beer from the Excise Act and the Excise Tax Act under pressure from Labatt, which had free access to the government, in spite of our irepresentations and of the importance of this issue at the regional level.

Responding to the pressure, the government saw to it that more and more microbreweries would disappear. We have already gone from 90 breweries to 30. It is expected that with the competition by the big breweries, which are selling American products taxed at one quarter of the rate here, the beers produced in the regions by the microbreweries in Quebec and in Canada, will disappear.

It is rather depressing to see how little the government cares about small businesses. It is depressing to see the big businesses, major contributors to the Liberal Party's campaign fund, getting their greedy hands on the market share of the microbreweries in Quebec and in Canada.

We will of course be voting against this bill, but we want to condemn it with the utmost vigour.

● (1545)

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, I am pleased to take part today in this debate on Bill C-47. As it has been often mentioned, the purpose of the bill is to modernize the Excise Act. We are in a situation where all the provisions contained in the Excise Act, which Bill C-47 is supposed to replace, are included in this bill, except anything that has to do with beer.

This is important for what I will call the microbrewery industry. Microbreweries are the pride of several regions in Quebec. As my colleagues pointed out, these beers often have a different taste that has a regional character. These industries employ men and women from every region in Canada, but also from every region in Quebec.

Microbreweries are often symbols of the regions of Quebec. They are employers, they are a driving force for economic development and they are the symbol of a region. They offer consumers a product that is different from those offered by the big Canadian brewers.

The situation in which we find ourselves leads us to the conclusion that a market is developing, resulting in these microbreweries being subjected to unfair competition by other brewers. I will explain.

The beer produced by microbreweries often has to compete against so-called imported beers. Under the current taxation system, the big breweries, like Labatt, enjoy preferential treatment, a preferential tax rate, compared to the microbreweries.

The preferential rate is based on the tax rate. In Canada, there is a charge of 28¢ on Canadian beer. The rate in the U.S. is about the same, except that they have a preferential rate for microbreweries. They consider that a small business does not have the same organizational or financial structure as the big breweries. So, the preferential rate in the U.S. is only 9¢ a bottle, compared to 28¢ in Canada.

Since the tax rate for microbreweries in the U.S. is 19¢ lower than it is in Canada, it is clear that our microbreweries are the victims of unfair competition. Not only is the difference between the tax rate unfair, but microbreweries are far from being defined the same way in Canada and in the U.S.

● (1550)

For instance, to be considered as microbreweries, Canadian breweries have to produce 300,000 hectolitres, compared to almost 1 million hectolitres for U.S. breweries. So, the definition in itself paves the way for the unfair competition Quebec and Canadian microbreweries are victims of.

I have just mentioned the tax rate on one bottle of beer, but if we do the math, we see that for 24 bottles sold in a grocery store, the Canadian government gets $4.09, and the U.S. get $1.12, for a huge difference of $2.90 on a case of 24, which would explain why several of our microbreweries had to close their doors in the last few months and years.

Several regions in Quebec have been hurt by the loss of these small companies that can be competitive if they are given a bit of a tax break, something this bill is not doing.

In the riding of the hon. member for Saint-Hyacinthe—Bagot alone, two microbreweries have had to shut down since 1997. We have also lost microbreweries in Saint-Eustache, Baie-Saint-Paul, Montreal and Cap-Chat. Microbreweries, which have, in recent years, become ambassadors abroad for various regions of Quebec and Canada, promote regional development, in terms of growth and symbol. Therefore, these closures were major losses.

We are speaking on behalf of microbrewers, but I want to stress that the Bloc Quebecois did not fight this battle in recent weeks and months only for Quebec microbrewers. We were pleased to see that, just last week, the Canadian Alliance joined forces with the Bloc Quebecois to condemn the current federal preferential system.

We saw Canadian Alliance members ask questions in the House of Commons. It is not because the situation necessarily affects Quebec microbrewers; it is because they realized that microbreweries were in trouble in other Canadian provinces.

Here are some figures. Seven microbreweries have shut down in British Columbia, five in Alberta, one in Manitoba and one in Nova Scotia, for a grand total of more than 38 microbreweries that had to stop operating in Quebec and in the rest of Canada, in part because of the current system.

This means there are only some 40 microbreweries left in Canada. Close to half of the microbrewers had to shut down in recent years, thus leaving the market to the big breweries, such as Labatt. The result is that Quebec and Canadian consumers have only two choices: they can either drink Canadian beer brewed by a big brewery, or imported beer.

● (1555)

Knowing consumers, they will often choose beer from a microbrewery over imported beer, because they like local products.

We hope that the government will listen and will propose provisions to boost these driving forces of the Quebec and Canadian economy.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, before getting into the heart of the matter, let me congratulate those who won during random draw this morning.

I also want to thank the member for Saint-Hyacinthe—Bagot for the excellent work he did on Bill C-47, a bill about taxation and particularly the excise tax. The member for Saint-Hyacinthe—Bagot and I are friends. Over the years, we have worked together, mutually respecting each other's jurisdiction.

The member for Saint-Hyacinthe—Bagot is an enlightened person. He knows that if he had not been quite alert at committee, they would have pulled a fast one on us. For our visitors in the gallery and for the people watching us, I would like to explain precisely the purpose of this debate.

I learned about the excise tax in my economics classes in cegep. I think you and I belong to the same generation, Mr. Speaker, except that you may be a couple of years older than I am. In cegep, the member for Joliette was one of my teachers. He taught me that the excise tax is paid by the consumer on a number of products.

In the early 1980s, the member for Joliette used a metaphor for his students. He used to say that the excise tax was a tax on sin because it dealt with alcoholic beverages and cigarettes, which are all associated in one way or another with luxury.

The member for Saint-Hyacinthe—Bagot, who has been on the Standing Committee on Finance for about 10 years, is an experienced member of parliament in spite of his youth. On several occasions he explained in committee that we are not against a general review of taxation. We understand that processing has changed in industry. We realize that the reality of import-export has evolved.

I would like to digress for a moment to say that Quebecers are genuine free traders who believe in international and interprovincial trade. As a matter of fact, the premier of Quebec, the member for Verchères, who, as everyone knows, will remain premier of Quebec because he is giving Quebecers a very good government, was the creator of the department of international trade in Quebec. He also gave Quebec its first international trade policy.

He pointed out that Premier Lévesque had invited him to his office and told him, "You will be responsible for international trade". He had a very small budget then. Unless I am mistaken, it was about $9 million. This was not much to put Quebec on the map in terms of international trade.

When we had the free trade debate in Canada and Quebec in the early 1980s, Quebecers were genuine free traders. They believed that increasing trade was a sure way to promote economic growth. Even if one believes in the virtues of trade, even if one is convinced that taxation has to be reviewed and that trade is an inescapable fact of life for all nations—the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, who is a fervent advocate of regional development, knows this—mechanisms to protect culture are needed.

As far as protection of culture is concerned, we understand each other, Mr. Speaker. You were on the heritage committee for a long time. You are well aware that nations must protect their culture.

● (1600)

Globalization is unavoidable, but sovereignty is essential. Sovereignty allows trade on an equal footing, and allows specific mechanisms to protect culture.

Do not think that there is no link between the excise tax and culture, because you would be wrong. I will explain this link.

It is a known fact that the excise tax is a tax on consumer products, which the consumer pays on a certain number of goods, such as, of course, tobacco, spirits, wine and beer.

I repeat that the hon. member for Saint-Hyacinthe—Bagot was absolutely in favour of a general review of the act. We were surprised—and when I say surprised, I mean appalled, and when I say appalled, I mean outraged, and when I say outraged, it is because, deep down, we were hurt—to see what the government did. Why did the government want to exclude the microbrewery sector from this general review?

Mr. Speaker, you will allow me to stay within the limits of parliamentary language, but I think I am beginning to smell patronage here.

We understand that members who sit on a parliamentary committee have the right to be married, to have a marital relations, to have privacy. Privacy is a right protected in major charters, both the Canadian Charter of Rights and Freedoms and the Quebec charter.

However when someone is the chair of the finance committee, it is quite different. Indeed, it seems that the chair of the finance committee was elected after a hard fought battle and has foiled Liberal strategists. This chair, who is quite a very nice person—no one questions this—is married to an influential director of one of the biggest breweries in Canada, who himself sits on the Brewers Association of Canada.

One might wonder about this. I thank the member for Saint-Hyacinthe—Bagot for his vigilance. I would like to make a link with regional development. Of course we understand that my colleague and friend, the hon. member for Jonquière, has defended regional development here on several occasions, every time she has had the opportunity to do so.

This is the situation. Of course we recognize that the big breweries, like Molson and the others, represent a relatively concentrated market. Some of them dominate the market and are trying to sink the microbreweries. If I am not mistaken, there have been more than 40 such cases already. Some of the microbreweries had to close down because of the unfair tax system and because of the rate that is applicable in the United States.

However, we have to understand that a number of microbreweries are located in regions and that they create employment. The location of an industry is an important factor. When a brewery or a microbrewery decides to set up in a region, it contributes to the development of the economic fabric of the region.

I regret to have to inform the House and all our viewers that in the area of regional development, the government's record is abysmal. I do not know how a Liberal can actually say the words regional development.

Let me give members an example. During the last election campaign—I could give members the example of the member for Beauharnois—Salaberry—the Liberal Party promised to spend $1.9 billion on the highway system. This is not peanuts. It is, however, rather unbelievable that the strategic highway improvement program only amounts to $108 million over a four year period.

It is therefore obvious that the issues of microbreweries, of culture, of regional development and of privileges in the House are all related.

In conclusion, on all these issues, Quebecers can count on the Bloc Quebecois to be looking out for the interests of Quebec to the best of its knowledge and energy.

● (1605)

[*English*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: 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 Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: The vote is deferred until Tuesday, May 21 at the end of government orders.

* * *

● (1610)

PAYMENT CLEARING AND SETTLEMENT ACT

The House proceeded to the consideration of Bill S-40, an act to amend the Payment Clearing and Settlement Act, as reported (without amendment) from the committee.

Hon. Ralph Goodale (for the Minister of Finance) moved that the bill be concurred in.

(Motion agreed to)

The Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Hon. Ralph Goodale (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I welcome the opportunity to speak at third reading of Bill S-40, which amends the Payment Clearing and Settlement Act. The bill allows Canadian securities and derivatives clearing houses to be more efficient and competitive with their counterparts in the United States and other G-7 countries. In addition, the bill makes it easier for those clearing houses to lower their costs and also helps to keep trading activity in Canada.

The securities and derivatives industry is an integral component of Canada's financial sector. It provides a key function in the raising of capital and hedging financial risks through derivatives contracts. With almost 200 firms, approximately 37,000 employees and gross revenues in 2001 of $10 billion, the industry's contribution to the overall economy is indeed significant. Central to the industry's success are Canada's major exchanges and clearing houses. Let me take a moment to briefly review their roles.

As hon. members know, the four major exchanges in Canada provide centralized facilities for the trading of securities and derivatives. Each exchange specializes in a particular area. The Toronto Stock Exchange, for example, is the sole market for senior equities. The major market for junior equities is the Canadian Venture Exchange in Calgary, recently renamed the TSX Venture Exchange. The Bourse de Montréal is responsible for all non-commodity derivatives. Transactions involving agricultural commodity derivatives take place on the Winnipeg Commodity Exchange.

The clearing and settlement of trades on these four exchanges is conducted through three clearing houses, which are the focus of today's debate. The Canadian Depository for Securities, CDS, is Canada's national securities depository, clearing and settlement centre. The CDS is also a custodian of securities for federally incorporated institutions. The Canadian Derivatives Clearing Corporation, CDCC, is the clearing house for derivatives contracts traded on the Bourse de Montréal. The WCE Clearing Corporation, WCECC, is the clearing house for derivatives contracts relating to agricultural commodities traded on the Winnipeg Commodity Exchange. Hon. members may be interested to know that the WCECC has an agreement with the CDCC to provide certain clearing and settlement services for the WCECC.

Of course hon. members will note that there will be a test afterwards, so I hope the opposition is paying attention.

These three clearing houses enable consumers and businesses to have their securities and derivatives transactions settled in a timely manner and at a reasonable cost. They do this by providing clearing and settlement services and by acting as a central counter party to securities and derivatives trades. During the second reading debate on the bill I pointed out that securities and derivatives markets depend on these centralized services for a number of reasons. Because of their importance, I believe these reasons bear repeating.

First, securities and derivatives markets are critical in providing opportunities to raise capital for investments and hedging financial risks.

Second, securities and derivatives markets rely on the efficient and timely clearing and settlement of transactions through clearing houses.

Third, clearing houses take measures to reduce risks and costs in the settlement of transactions, measures such as requiring members to post collateral and to net their payment and delivery obligations with the clearing house.

● (1615)

If some hon. members are wondering why this legislation is needed, let me explain. Recent global changes have made it clear that the rules within which Canadian securities and derivatives clearing houses operate need to be updated. With globalization, rapid technological changes and consolidation creating an increasingly competitive environment in today's business world, the Canadian securities and derivatives industry must be able to compete with its counterparts in other countries if it is to remain healthy and sound. Unfortunately, a significant portion of Canadian securities and derivatives trading now occurs in the United States and will continue to take place there unless our industry is allowed to compete on a level playing field.

Hon. members may also be interested to know that any factors which negatively affect the operation of Canadian clearing houses and increase their costs also have a negative impact on securities and derivatives markets by reducing their efficiency and increasing their trade costs. One risk in particular that exists for these clearing houses, and which needs to be addressed, is the risk that a member may default before a transaction is settled, resulting in a financial loss to both the clearing house and its members.

As a central counter party, securities and derivatives clearing houses take measures to reduce this risk, as I mentioned earlier, by requiring members to post collateral and to net their payment and delivery obligations with the clearing house. However, this system makes it difficult for clearing houses in Canada to compete internationally. Laws in Canada do not fully protect netting arrangements and collateral posted with securities and derivatives clearing houses to the same extent that other countries do. This has a negative effect on the competitiveness of our clearing houses, as I have mentioned.

Stakeholders in Canada raised concerns about this problem to the government. For example, they pointed out that Canada's current bankruptcy and insolvency laws do not prevent court imposed stays from securities and derivatives clearing houses realizing collateral in the event that one of their members becomes bankrupt or insolvent. Stakeholders were also concerned that Canadian bankruptcy and insolvency laws add to the costs of their clearing house operations and of their members by increasing the costs related to the risk of a failure of one of their members. In particular, they noted the difficulty of convincing large international dealers to do business in Canada if our clearing houses face higher costs because they cannot enforce their netting and collateral agreements with members in the event of the insolvency of one or more members.

As a result, stakeholders suggested that the Payment Clearing and Settlement Act be amended to cover securities and derivatives clearing houses.

Let me digress for a moment and review the advantages provided by some of the other countries with which our clearing houses are in competition. In the United States, for example, bankruptcy and insolvency legislation generally exempts securities clearing organizations from court ordered stays and allows them to net the obligations of members and to realize their members' collateral. In the European Union, member states must ensure that securities settlement systems can net obligations and that the netting is legally enforceable and binding on third parties in the event of insolvency. In addition, collateral must be realized in a timely manner in any winding-up procedure.

Given how our major competitors function, it is imperative that changes be made to ensure that Canadian securities and derivatives clearing houses can compete with those in the United States and in Europe.

The government responded with the bill we are debating today. This legislation expands the Payment Clearing and Settlement Act to include legal protections for Canadian securities and derivatives clearing houses of their netting agreements and collateral posted by their members. These amendments protect netting agreements and prevent stays imposed by a court on the ability of securities and derivatives clearing houses to realize collateral in the event of the bankruptcy or insolvency of one of their members.

● (1620)

Bill S-40 would make Canadian securities and derivative clearing houses more efficient and more competitive with the United States and the G-7 countries. It would help keep trading activity in Canada.

Hon. members should keep in mind that the amendments are in line with recent recommendations made by the Bank for International Settlements with respect to securities settlement systems and securities clearing houses. In addition, they are in keeping with the commitment the government made in the Speech from the Throne in January, 2001 to keep Canadian laws competitive. Above all, the amendments have the support in Canada of financial sector participants and their associations, provincial governments and the insolvency community.

It is essential that Canada's financial sector remain strong, healthy and efficient. Bill S-40 would help ensure this. A competitive legal machine would help keep securities and derivative trading in Canada and assist the industry in attracting international dealers and brokers.

The legislation is not controversial. With the changes the securities and derivatives industry would more be competitive and thereby benefit the Canadian financial sector and overall economy. I urge all hon. members to give Bill S-40 speedy passage.

[*Translation*]

The Deputy Speaker: 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 Selkirk—Interlake, Agriculture.

[*English*]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I am pleased to rise to debate Bill S-40, a bill we in my party have supported since its inception.

Last February I wrote to the hon. Minister of Finance calling on the government to introduce amendments to the Payment Clearing and Settlement Act pursuant to recommendations made by the Bourse de Montréal and others in the securities industry to make Canada's securities more competitive, particularly its options markets.

The hon. parliamentary secretary gave a technical explanation of the bill. I will engage in some of the same. In a word, the principle derivatives clearing house in Canada which is an agency of the Montreal bourse called the Canadian Derivatives Clearing Corporation, the CDCC, is at a competitive disadvantage vis-à-vis clearing houses for derivative trades in the United States because our clearing house is not protected from bankruptcy. It has not yet happened, thankfully, but if a partner to a derivative trade defaulted on payment the entire system in Canada could grind to a halt.

Given the legal opening for the entire clearance system of derivatives to grind to a halt, there is an incentive for people in the financial services industry to do trades on American exchanges where they have legal protection from bankruptcy. Such protection would be afforded by the amendments in Bill S-40.

Before I get more deeply into the technical aspects of the bill I will say that we in the official opposition Canadian Alliance object in principle to bills coming to this place which have originated in the Senate. That may seem like an exotic concern to some. However as long as we continue to have an undemocratic, unrepresentative and unaccountable upper chamber it is important that legislation is initiated in the House by the people's representatives and sent to the other place for approval.

Every time a bill comes to this place that is initiated in the upper chamber we indicate our displeasure. We sometimes oppose a bill on those grounds. We will not do so in this instance because Bill S-40 would be an important reform of the financial services sector.

While Bill S-40 is a useful and valuable amendment we will support, much more needs to be done in the area of reforming Canadian securities laws. I submit to the consideration of my colleagues a report recently released by the Vancouver based Fraser Institute and conducted by Dr. Mohindra, formerly of the Department of Finance. The report is an overarching review of securities law in Canada. In it Dr. Mohindra compellingly concludes that Canada has more burdensome, costly and redundant securities regulations than virtually any of our major economic competitors.

Dr. Mohindra concludes, and I concur, that governments in Canada, principally the provincial governments which are responsible for regulating securities exchanges but also the federal government to the extent it is responsible, ought to get together with the four major exchanges in Canada to come up with a much more streamlined and efficient system of securities regulation.

This is not a technical matter of abstract interest only to those in the financial services industry. To the contrary, the capital markets which operate in and through the various stock exchanges and through the derivative exchanges at the Montreal bourse are an essential part of our modern economy.

● (1625)

Essentially these modern capital markets represent the central energy of a free market economy; that is to say, the formation of capital. Virtually no business could begin, operate, conduct its business, employ people or create wealth were it not for the availability of capital. Formation of and access to capital is an essential aspect to being a competitive economy.

We have had an ongoing debate about ways to make the Canadian economy more competitive and about the fact that under the government's tenure we have seen our economic competitiveness slide vis-à-vis our major economic competitors. We have seen the average disposable income of Canadian families decline over the past 20 years in relative terms. We have heard the former minister of industry, now the hon. Deputy Prime Minister, explain that the average family in Ontario has a lower standard of living in relative terms than the average family in Mississippi, the poorest of the 50 U. S. states. Canadian families now have on average $20,000 less in disposable income than the average American family. These are all reflections of our diminishing competitiveness and productivity.

We in the Canadian Alliance frequently propose policy solutions to the problem through rapid and meaningful reductions in tax rates to increase incentives for people to work, save and invest. We talk frequently about accelerating debt reduction so our governments, particularly the federal government, waste fewer public resources on the sink hole of debt servicing. We also talk about deregulation in general.

I am raising this matter with particular reference to our capital markets. One idea which is gaining currency is the notion of establishing not a federal but a national securities regulator which would obviate the need for 10 separate securities regulatory bodies. Under the status quo each province has a separate securities and exchange commission each of which is responsible for administering rules regarding the filing of prospectuses for new companies.

Let us suppose a successful restaurateur in Regina wanted to branch out and start a chain of restaurants across the country like my hon. friend from Regina—Qu'Appelle who is a very successful capitalist. Let us suppose one wanted to raise capital to expand the business. One might want to issue a prospectus to raise equity on, say, the Toronto Stock Exchange, the Bourse de Montréal or the exchange in western Canada, but to do so would require filing the prospectus in 10 jurisdictions many of which have completely different regulations. It would cost tens of thousands of dollars in legal fees. The only winners in the current system are securities lawyers who derive great profit from the multiplicity of securities regulations in Canada.

It would be much more efficient for an ambitious restaurateur wanting to raise equity to have one stop shopping in terms of raising equity on the capital markets through one national exchange such as exists in the United States. The U.S. is a federation like our own in many respects but it has recognized since its inception the value of a single national securities and exchange commission which removes the kind of duplication we have in Canada.

Germany, a federation like Canada which is a major competitor of ours, has a single national securities commission. The United Kingdom which is admittedly a unitary state has one commission for overseeing the operation of equity markets.

● (1630)

I join with virtually every major organization in the financial services industry in Canada, including the Toronto Stock Exchange, in calling for all governments, all of the commissions across the country and all stakeholders to discuss how we could render more efficient the operation of these equity markets .

The bill provides an improvement in the legislation which will protect those who make trades through the Canadian Derivatives Clearing Corporation of the Bourse de Montréal. It will give them a certain degree of stability and security which they currently lack.

Mr. Luc Bertrand, president of the Bourse de Montréal, provided testimony to the Standing Committee on Finance. He told us the "CDCC is the clearing house for the bourse. This means that it makes sure the buyer pays the amount he has agreed to pay. The seller receives payment, and both meet their obligations under the derivatives contract that they have traded.

The CDCC is a wholly owned subsidiary of the bourse. It is the guarantor of interest rate equity and indexed derivative contracts traded on the bourse. As such, the CDCC requires each of its members to maintain margin deposits to cover the market risks associated with each member's position. CDCC members must post collateral to mitigate the risk of insolvency".

As he pointed out, the bourse competes for this service principally with the Chicago Board Options Exchange which is a branch of the Chicago Mercantile Exchange.

Mr. Bertrand pointed out that there is a certain benefit for Canadian companies wishing to trade derivatives to trade through the CBOE as opposed to Canada's own derivatives clearing corporation.

This is a multibillion dollar industry. This is not some small corner of the financial services industry. This is an enormous and growing part of the capital markets, so we ought to be doing everything we possibly can. That is what Bill S-40 seeks to do.

Bill S-40 would essentially give investors who are trading derivatives the confidence that they will not be risking their investment through no fault of their own if the derivatives clearing corporation is shut down because of a call on trades or because of a court bankruptcy order.

The official opposition supports the bill. We have helped to expedite the bill at all stages. I certainly hope all members of the House will be doing so. I commend the Bourse de Montréal and Mr. Bertrand in particular for their excellent work in presenting this idea to the government and to all parliamentarians, and for the excellent work they are doing in modernizing and rendering more efficient Canada's capital markets.

● (1635)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I was just in the process of talking about my eminent colleague, the member for Hochelaga—Maisonneuve and the values of Bill S-40, but also the debate surrounding the prospects of creating a Canadian securities commission.

Before going to the core of the bill, which the Bloc Quebecois will support, please allow me to digress for a moment. With respect to the Canadian securities commission, my colleague from the Alliance mentioned that there was almost unanimous support in Canada to harmonize, streamline and have one single organization regulating securities.

I would like to inform him, for his own education, that Quebecers will oppose the creation of a Canadian securities commission. Why? Because the Quebec securities commission was recently reorganized as an organization to oversee the entire financial sector. We are approximately fifteen years ahead on the evolution and streamlining of the financial sector, and approximately ten years ahead on what was known as the interaction between financial sector segments.

We did not do all of this to start a debate, or because certain Canadian provinces lag behind Quebec when it comes to integrating and monitoring the financial market as well as monitoring those who enter it, leave it and make securities transactions. We will never accept—this is an old debate that resurfaces every two years—the creation of a Canadian securities commission to replace all of the securities commissions that exist in Canada.

Incidentally, the only person who has fought hard to have this Canadian securities commission has been the president of the Ontario Securities Commission. At that time, he knew very well that if a Canadian securities commission were created, he would be the one to run this commission and that Ontario would wind up calling the shots for the entire securities sector in Canada.

My Liberal and Canadian Alliance colleagues will find their way blocked by Quebecers ready to fight to the last to hang on to the securities sector, which is the exclusive jurisdiction of the provinces, and which we want to jealously guard for ourselves in Quebec.

The government is all too ready not to respect the Canadian constitution in this area, by pointing to how wonderful it is when it suits it to respect jurisdictions, but by ignoring them when it comes time to promote federal government policies, which consist in further centralizing all powers and forgetting about the Canadian constitution.

Let us now come back to Bill S-40. Like my colleague, I am not happy about the fact that this bill originated with the Senate, not for the same reasons, because the Senate is not elected, but not from the same perspective as the Canadian Alliance.

In our view, the Senate should be abolished, and all bills of importance such as this one should originate with elected representatives, who have specific mandates from all segments of the population to do this kind of work. We are never happy when a bill originates with the Senate because the Senate is made up of people who are appointed, who represent no one but themselves. We could have done this work as elected representatives accountable to the public and accountable for the smooth operation of the financial industry, which is what Bill S-40 is about.

Nonetheless, we are going to support this bill, because it is of great importance. We spoke particularly about securities, but also about the whole question of collateral, which will now go to those conducting the transactions in the derivatives sector, and which will give the Canadian Derivatives Clearing Corporation, a subsidiary of the Montreal Stock Exchange, a legal means of protecting those who buy and sell these products.

Right now, when someone buys derivatives from Canadian corporations, there is no legal guarantee that he will ever actually be paid. No legal guarantee exists.

● (1640)

Nowadays, with globalization, the free movement of capital and the fact that, in North America, the derivatives market is extremely competitive, stock exchanges in the U.S. offering legal guarantees can attract investors who will buy derivatives from Canadian societies. The Chicago Stock Exchange is not the only one. All the stock exchanges in the U.S. dealing with derivatives, because they offer legal guarantees against bankruptcy or default of payment, can be appealing for investors who otherwise would do their transactions at the Montreal Exchange, the only one in Quebec and in Canada that specializes in derivatives.

Bill S-40 rectifies that situation from a legal standpoint and provides that the Canadian Derivatives Clearing Corporation, a wholly owned subsidiary of the Montreal Exchange, will now be able to offer a legal protection similar to what we see in the United States and elsewhere in the world.

We will support this bill. This new protection will be an additional marketing and publicity tool for the Montreal Exchange to attract investors, potential derivative buyers, and sellers of course.

Once Bill S-40 is passed, and I think most of my colleagues here will support this legislation, promotion for derivatives provided by the Montreal Exchange will increase.

With supply and demand for derivatives rising, the Montreal Exchange will speed up capital projects through online transaction services. Among additional benefits, jobs will be created for highly skilled workers in the financial sector.

Free flow of capital at the international level has led to increased mobility for highly skilled workers in the securities sector and other related fields. In the past, many of our highly skilled workers have left for the United States and even for some European countries. Creating greater opportunities and having the Montreal Exchange specialize in derivatives can only make for a better future in this area as well as better prospects for the highly speciallized jobs the bill is bound to give rise to. For all these reasons, my colleagues and I will be supporting Bill S-40.

However, this support comes with the warning that I gave earlier regarding any attempt to go further on the part of the federal government, that is any attempt to establish a Canadian securities commission, as it has been trying to do for the last 12 years. This would be totally unacceptable in Quebec, especially since securities come under the exclusive jurisdiction of Quebec and the other provinces. If the other provinces want such a commission, Quebec certainly does not.

Over the last 15 years, we have done a lot to modernize the financial sector in Quebec. We even created an organization that oversees the whole financial sector. It regulates it, monitors it and sets standards and rules.

Quebec will certainly not let the federal government try to go down that road again. Based on the comments made by my Canadian Alliance colleague, it is obvious he was visited recently by people promoting the creation of such a commission.

There is a warning that I must put on the table right away. If the federal government intends to come back with this idea that we have fought in the past, it will find us in its way, as well as the Government of Quebec and Quebec's whole financial sector. In the meantime, we will support Bill S-40.

● (1645)

[*English*]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Madam Speaker, I, like my colleague in the Alliance, the member for Elk Island, object to this bill originating in the Senate. The Senate is unelected, undemocratic and unaccountable.

I remember the day when many Liberal Party members themselves would have objected to legislation originating in the Senate but now they are very supportive of this because half of them, including the member for Gatineau, want to become senators some day, which is why we do not hear very much on this from the Liberal Party.

Other than that, we do support the legislation before the House today. All members of the finance committee, as far as I know, are in support of the bill which was talked about a great deal before it was introduced in the other House.

Bill S-40 would amend the Payment Clearing and Settlement Act to permit securities and derivative clearing houses to realize the collateral of a member, for example, the deposit of a commodity, security or currency contract that the clearing house may enter into in the event of the bankruptcy or the insolvency of the member. Therefore if there is a bankruptcy or insolvency there is some collateral there for the clearing house. This would make it easier for the clearing houses to act more efficiently and provide more economic security for our economic system.

Canadian securities and derivatives clearing houses enable consumers and businesses to buy and sell securities and derivatives in a timely manner and at a reasonable cost. They do this by providing clearing and settlement services and acting as a central counter party to securities and derivatives trades.

The bill has been the result of extensive consultations with officials from the clearing houses in the country. There are three different clearing houses in Canada, as well la Bourse de Montréal, the Montreal stock exchange. I know the finance critics from all parties were consulted well ahead of this, before the bill was even in the drafting phase a number of months ago.

The bill has only one clause and that clause was expedited through the Senate in two weeks or less. The committee stage in the Senate lasted about one hour. There were no amendments by the Senate banking committee and subsequently Bill S-40 was reported with no amendments by the Standing Committee on Finance here in the House of Commons.

Although we in the NDP oppose the principle of unfettered speculation, and we are no friends of most of the derivative activity that takes place today, we can say that there are some good and bad derivatives. The good derivatives may help hedge corporate treasuries against the risk of security price changes and currency fluctuation risks. Bad derivatives are about gambling and what I call the casino capitalism that we see in many parts of the world. Speculation among derivatives allow a gambler, be it a corporate entity or an individual, to make a bet on the future price of an underlying asset by betting just a fraction of the cost of the asset.

The leverage comes about because the derivative instrument basically replicates borrowing and lending of the underlying asset without ever having to physically own the asset. We have seen many examples where individuals get into a great deal of trouble through leveraging and buying on margin. Companies do the same thing. When there is a downturn in the economy of a particular commodity or in a particular industrial sector then all kinds of problems can result as a consequence.

We support Bill S-40 because the legislation would reduce the systemic risk by containing the impact of bankruptcies on the securities and derivatives clearing system. It would also enhance the stability of the financial system by enabling securities and derivatives clearing houses to immediately realize assets pledged as collateral in the case of a default or bankruptcy by one of the members of a clearing house. This would guarantee a swift payment of collateral to clearing houses and would protect the stability of the system. Bill S-40 does it by taking a shortcut to override all other federal bankruptcy legislation. We have in the statute of this country many pages of bankruptcy regulations.

● (1650)

In addition, the mainstream are already in favour of Bill S-40. They say that the legislation would put Canada on a level playing field with the United States, with our partners in the G-8 and with our European partners, and would increase Canada's financial competitiveness and its ability to attract capital.

The main beneficiary of the legislation would be the Montreal stock exchange, the Bourse de Montréal, which also clears derivative transactions for the Winnipeg Commodity Exchange. The Montreal exchange, as the House knows, specializes in futures.

[*Translation*]

It is very important for the Montreal Stock Exchange. I discussed the bill with the president of the Montreal Stock Exchange on two or three occasions.

[*English*]

The explosion in derivatives has resulted in a shift to less transparent and less public, over the counter markets. In fact this lack of transparency has seen a real growth in the over the counter markets in the last seven or eight years.

In 1995 some $64 trillion U.S. were traded over the counter. In 1997, it went from $64 trillion to $360 trillion. In the latest figures from 2001, the marketing now of over the counter sale of stocks and other financial commodities has gone well over the $1 trillion mark.

This causes a major regulatory problem. Regulators increasingly have a hard time being aware of the data on the volume of derivative activity and the extent of the risk. I will give a couple of examples of what is meant by that.

The Enron fiasco, which is the largest bankruptcy as far as I know anywhere in the world, was partly due to the fact that derivative transactions were booked between private parties and not through public, transparent and fully regulated clearing systems, plus of course the failures of the auditors, which was Andersen Consulting. The bankruptcy was to the tune of some $110 billion, which has had ramifications throughout the system. Even in our country there is some concern about the bankruptcy of Enron in terms of some of our large corporations but also Andersen accounting.

Just the other day I asked the Governor of the Bank of Canada why the bank still retained Andersen's accounting services and he of course told me that he had confidence in Andersen's Canadian partner, its Canadian wing. Hopefully that is the case.

The other example is the massively leveraged hedge fund known as the long term capital management fund or LTCM. This fund had bet a substantial amount on the world's economy, on the future narrowing of interest spreads over U.S. treasuries. By mid-1998 the fund had about $4 billion in equity capital and borrowed funds of $120 billion, a hefty leverage of about 30 times.

Amazingly that leverage was compounded by another tenfold by the fund's off balance sheet derivatives' exposure amounting to more than another $1 trillion. In the end, a consortium of private banks, led by the federal reserve of New York, bailed out the fund and no public money in this case was actually involved.

The truth of the matter is that we do not really know the long term consequence of derivative wizardry and the real implications as to the economy. However financial deregulation has expanded the investment horizon of private investors but it has also created new systemic risks without really improving the access to affordable capital loans, which is one of the critical requirements for sustainable development that we certainly need in the world today.

The increasing poverty of so-called emerging countries is a case in point. The disciplining effects of the markets adjusting to speculative derivative bursts contribute to deflation, which hurts the weakest and most vulnerable countries and people in the world. Decades of development and efforts can be wiped out in a moment.

What is the key? I suggest the key is to obtain a regulatory environment and a system that would mandate a transparent, standardized, accountable and strict regulation of off-balance sheet items such as derivatives. All derivative products should fall under the same regulation and the same regulation, not just in Canada and the United States but indeed around the world. If we do not do something about that we will continue having problems. As we have large investment banks and wealthy investors speculating with other people's money we will see the continuing underdevelopment and poverty of many people in the world.

● (1655)

Financial speculation in the world is growing continually. The trade in currency is over $1.5 trillion in terms of U.S. dollars. About 90% of that trade in currency is purely for reasons of speculation. When we have that kind of speculation we end up with a system and a vision where poor people in poor countries are deprived of their fair share of resources and the wealth of the planet.

We have made a suggestion. I had a private member's motion in March 1999 which would have introduced a small tax on the speculation of currency, the so-called Tobin tax named after the late James Tobin who passed away a couple of months ago in the United States. Mr. Tobin had won a Nobel prize.

If we introduced a small tax, say 0.1% or 0.2% of each transaction, that tax would have two effects. First, it would slow down the speculation that is carried on mainly by investment bankers but also others in the world. It would also create a huge international development fund of several tens of billions of dollars each year, amounting very quickly to hundreds of billions of dollars. We could use that development fund as a modern day Marshall plan for the development of places, such as Africa and Afghanistan, third world countries, into a vision of helping them help themselves economically. This would be similar to what was done after the second world war in Europe when the Marshall plan was put into effect.

Those are the kinds of things that could be done if we had some regulation of the international financial market. We are suggesting that the bill before us today is a bill that is very short and not controversial. It brings a little bit more order and rationale to the clearing house system and to the payment and settlement system in our country. It affects the three clearing houses. It affects the Bourse de Montréal, the Montreal stock exchange. It is a bill we can all support in the House as a small step forward to a more rational economic system.

Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.): Madam Speaker, I am pleased to speak on Bill S-40, an act to amend the Payment Clearing and Settlement Act.

The position of the PC Party's is that we support Bill S-40. I want to make a couple of comments about the S part of the bill. As we heard, the Alliance Party does not like where it originates. The NDP says that it would rather abolish the Senate. Unfortunately the House needs a Senate as much today as it ever has.

Yes, there is a dispute about how people get to the Senate. We all know that they are appointed, not elected. Over the past year, having worked with senators as part of the PC caucus, I certainly have new respect for the Senate. Let us not forget that we do not have the franchise on intelligence in this Chamber. There is a lot of intelligence on the Hill and much of it is in the Senate. Until we change the way people get to the Senate, we will certainly still rely on the Senate to deal with the legislation that passes through the House.

Obviously the purpose of the bill is to provide Canadian securities and derivatives clearing houses with legal protection in the event that a member firm becomes insolvent. Bill S-40 would protect the netting agreement of securities and derivatives clearing houses in the event of the bankruptcy or insolvency of one their members. It would also prevent court order stays that could prevent securities and derivatives clearing houses from realizing the collateral of a bankrupt or insolvent member.

In simple terms, by reducing settlement risk, the bill would allow clearing houses to reduce costs. By reducing costs clearing houses would be able to offer their services for less which would be a gain for the investor. Thus, they would be more competitive in the marketplace.

For those who have just tuned in, to keep this simple I will give a short summary of the background. Canada has three securities and derivatives clearing houses; the Canadian Derivatives Clearing Corporation, the Canadian Depository for Securities and the WCE Clearing Corporation. They clear and settle trades on behalf of members of four exchanges; the Toronto Stock Exchange, the Bourse de Montréal, Calgary's Canadian Venture Exchange and the Winnipeg Commodity Exchange.

To protect against a default before a transaction is completed and settled, member firms are required to post collateral and to net their obligations with the clearing house. However, if a member firm declares bankruptcy, there is a danger that a court could freeze the collateral meaning that it would not be available to clear the transaction.

The United States and the European countries protect such collateral from bankruptcy proceedings, placing Canadian exchanges and clearing houses at a competitive disadvantage with institutions such as the Chicago Mercantile Exchange.

Therefore, Bill S-40 is a step toward addressing the declining competitiveness of the Canadian economy and the declining liquidity of the Canadian capital market. The globalization of financial markets in recent years has permitted investors to move their investments rapidly away from riskier markets to others where the legislative framework is friendlier.

In the United States bankruptcy and solvency legislation generally exempts securities clearing organizations from court order stays and allows them to net the obligations of members and to realize on the collateral of their members. Thus, some trade that could and should occur in Canada, particularly in derivatives, is being handled in the United States because of the risk issues on the Canadian exchanges and the lack of protection in our bankruptcy and solvency legislation.

In particular, the Bourse de Montréal, Canada's major derivatives exchange, is at market disadvantage compared with exchanges such as the Chicago Board of Exchange.

The securities and derivatives industry is significant for our Canadian economy. A strong and competitive Canadian financial market is the key to the overall growth and prosperity of our nation.

● (1700)

However it is difficult to attract large international dealers if Canadian clearing houses face higher costs as a result of their inability to enforce their netting and collateral agreements with their members or because they present greater risks to their participants in the event of the insolvency of one or more members.

Clearing houses for Canadian securities and structured products, such as derivatives and options, must be able to clear transactions in a timely manner, but under the existing laws in Canada they cannot clear transactions when either the buyer or the seller becomes insolvent.

The various Canadian laws that currently govern bankruptcy insolvency, namely the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Winding-up and Restructuring Act, do not offer the same protection to Canadian clearing houses that is offered by the laws of the other G-7 countries. This is of course of great concern to the four exchanges in Canada that trade in securities and structure products, namely the Toronto Stock Exchange, the Bourse de Montréal, the Canadian Venture Exchange in Calgary and the Winnipeg Commodity Exchange. This is also of great concern to the three clearing houses that clear the trades of those four exchanges, namely the Canadian Derivatives Clearing Corporation, the Canadian Depository for Securities Limited, and the WCE Clearing Corporation.

The Bourse de Montréal, on behalf of the Canadian Derivatives Clearing Corporation, and the two remaining clearing houses have all asked that the Payment Clearing and Settlement Act be amended to cover securities and derivatives clearing houses.

Bill S-40 is designed to provide clearing houses with the legal protection they need in the event one of the trading partners become insolvent or bankrupt. The amendments in Bill S-40 would expand the scope of Canada's Payment Clearing and Settlement Act by providing protection for the netting agreements for our securities and derivatives clearing houses. It would also provide protection for the collateral posted by the members of the clearing houses.

Passing this bill will encourage both domestic and foreign investment in Canadian companies. If Canada fails to adapt its financial legislation to international norms, a significant number of Canadian businesses will move to foreign markets.

Bill S-40 would ensure that Canadian markets enjoy the same protection provided by the other G-7 countries. It would enhance our competitive position by enabling clearing houses to lower their costs by reducing the settlement risk caused by poor bankruptcy protection. Thus it would allow our financial markets and institutions to grow their business in Canada and reclaim certain specialized financial business that has moved to foreign markets. It may also attract new investors from the U.S. and other foreign countries.

It should be noted that the amendments to Bill S-40 follow up on the November 2001 recommendations made by the Bank of International Settlements and the International Organizations of Securities Commissions. One of the central recommendations is that the transactions involving the clearing houses have a well-founded legal basis so that the rules and procedures can be enforced with a high degree of certainty. This includes the enforceability of transactions, netting arrangements, and the liquidation of assets pledged or transferred as collateral.

Bill S-40 would help our financial markets to be more competitive, however more needs to be done. Tax reform is crucial. Despite federal and provincial tax cuts, Canadian taxes are still higher than in the U.S., and the United States rates are scheduled to decline over the next four years. A modern regulatory structure that will work in a fast-paced marketplace is also necessary. We must eliminate rules that are duplicative, contradictory or not in the public's interest.

Financing in Canada is more expensive and complicated than it should be. Each new regulatory policy should undergo a rigorous cost-benefits analysis and be implemented in a way that minimizes cost and excessive red tape.

● (1705)

A single national governing body must also be created to oversee Canada's financial markets. The multiple Canadian regulatory authorities have created a fragmented and decentralized system.

In conclusion, securities and derivatives clearing houses are crucial to the efficient operation of our financial markets. Bill S-40 would allow them to reduce costs because of better bankruptcy protection legislation and thus become more internationally competitive. The bill in conjunction with tax reform reducing the regulatory burden and consolidating the many financial market regulatory authorities will help restore Canada's competitiveness. The PC Party will certainly support the bill.

● (1710)

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I cannot resist the temptation to ask the member a question. He made a little remark about the Senate near the beginning of his speech. I know he was first elected to this House as a member of the Reform Party. Subsequently of course we left that party and we joined a new party called the Canadian Alliance. We invited the Tories to come along but they said they would not.

When the hon. member was first elected, I understand he felt very strongly that the Senate should be elected to give it legitimacy. At the beginning of his speech he talked about the fact that he had met a number of senators who were very honourable and hardworking. I would concur with that. I have met some of them myself. However that does not detract from the point that they ought to stand for election and be accountable to the people they represent.

I do not want to embarrass the hon. member but I want to ask him a really tough question. Has he changed his mind on the electability of senators or does he still believe that they should be elected? It is relevant because the bill starts with S for Senate and he said it in his speech.

Mr. Inky Mark: Madam Speaker, I need to respond to a few comments he made.

First, I did not leave the Alliance Party. I actually got the boot from the Alliance Party. That is the correct information. When I was a member of the Alliance, I had the same optics and opinion as they hold today, that legislation should not originate from the Senate.

As I indicated in debate, I have a new found respect for the Senate after spending only eight months working with it. Probably the majority of people who sit in the Senate agree that the place needs reformation, no more, nor less than this place. The House of Commons needs reformation. In fact we are falling behind the model we follow, which is Great Britain. Great Britain is reforming its senate. It has come up with new reforms in its House.

I can say with great accuracy that the PC members of the Senate all agree and support the notion that the Senate members should be elected. The fact of the matter remains that they are not elected at this point in time. Therefore we need to be realistic and realize that the Senate is part of our political system.

Unfortunately, even if the Alliance Party was in government, without members representing it in the Senate and certainly not having a majority in the Senate, what could possibly happen with legislation it passed in this House? We all know what would happen. Obviously it would go nowhere. Therefore, until the upper House is reformed, we will have to learn to work with the people who sit there at this point in time.

The irony is that I understand the Canadian Alliance members will support the bill because it is a good bill and it will do what is necessary for the financial marketplace. I applaud them for that.

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I appreciate the hon. member and I always have. I liked him then and I like him still. He has undergone an interesting metamorphosis in the sense that I asked him a direct question and he almost acted as if he was a Liberal cabinet minister. He totally danced around it without answering it.

Someday I will have a private conversation with him and ask him whether he believes that the Senate should be elected. I firmly do. About 98% of what the member said in response to my question was good. Yes, there are hard working senators; it is our system and our constitution provides for it; the Senate has the ability to originate bills, as it did with Bill S-40, the bill we are debating today; and yes, unless we are able to work with them no legislation would be passed.

I must point out the fact that the Senate, being billed as a chamber of sober second thought, hopefully would give assent to bills which make sense and would refuse assent or amend bills which are not right and not as good as they could be. That should be the function of the Senate. Indeed, that should be the function of this place. That should be the function of our committees. That should be the function of this House when we are debating a bill at report stage or even at third reading. There should be room for amending a bad bill and thereby making it a better bill. It does not happen under our present system. I really think it should.

I would hope that when we form the government after the next election that the Senate, being made up of a number of Liberal and Conservative senators and one Canadian Alliance senator, would at that stage for the good of the country provide the same service that it does now. I find it very offensive to even contemplate the fact that the tentacles of the Prime Minister's control reach all around here with these members on the government side voting on command on bills and motions that go over to the Senate or in this case they have derived from the Senate. The Prime Minister controls the outcome of the vote in the Senate. The Senate should be independent of this place.

The Senate should be able to look at a bill such as Bill S-40 and provide a good bill. We happen to think that it could. I resent the member for Dauphin—Swan River even implying that there is something dishonourable on my part by supporting a bill because it originated from the Senate.

If I were to say that I would not vote for a bill because it came from the Senate then I would be in the same trap. That is, I would be voting either for or against a motion or a bill based on where it originated, rather than whether or not it was a good idea. That happens all too often in this House. Our amendments are routinely rejected by the Liberals because they come from the Alliance.

Canadians honestly truly suffer because of a result of that. They miss out on the collective wisdom of this place, as of the other place that the hon. member spoke of.

The other thing is, and we will have to talk about this privately, sure, we must work with people from other parties. We must, from time to time, co-operate with members of other opposition parties. I have no problem supporting a bill or a motion that comes from the Liberal side if it is a good bill or motion.

In fact, the record will show that the Canadian Alliance and before that the previous official opposition party, the Reform Party, was probably highest in the number of bills and motions that it supported from the government side. I have voted in favour of a number of bills from the Liberal side. This is because I study them. Our researchers study them and when it is all finished if it is a good bill and deserves my support, I am not so small as to say that it came from the wrong side, so I will not support it. That is beneath a serious legislator and parliamentarian.

● (1715)

Today we are talking about Bill S-40. It is a bill that has to do with bankruptcies. It is one of the larger bills that we have debated. It has a few paragraphs in two pages. Of course I speak facetiously since Hansard does not show sarcasm. I would have to say the member was dripping with sarcasm when he said it was a large bill because otherwise how would Hansard record that?

Bill S-40 amends the Payment Clearing and Settlement Act to clarify the application of it with respect to bankruptcies. I support the bill because it is a good one. It would help to improve Canada's productivity I hope. It would improve the ability of Canadians to raise capital and members of our investment population to trade and work in Canada.

One of the most glaring failures of the Liberal government has been the way it has driven people and money out of this country. It is a huge failure on the part of the government. Finally we have a bill which would have a force in the opposite direction. It would help to keep some of the business activity in Canada rather than sending it to the United States.

We have a great number of people who have left in the last nine years while the Liberals have been in government. I regret that. This weekend I was back home visiting my aged father who was not feeling well. I made an emergency trip to see him and spent some time in the hospital this week. Frankly, I think it is atrocious that the policies of the Liberal government have forced our medical personnel to go to the United states, literally thousands of doctors and nurses. They are practising medicine in the United States while our system suffers from lack of personnel.

I must admire the people who are still here. Some of them say they have families here so it is not that easy to move, otherwise they would. Others say they are Canadian and they are loyal to this country, and some of them add come hell or high water because they like to quote the finance minister. They are staying here but it is certainly not because it is an advantage for them to do so in terms of providing for their families, looking after their income and having a reduced tax load.

This is further reflected in the value of our dollar. We have a dollar which is incredibly low. Under the government it has sunk from around 75¢ down to around 65¢ U.S. That is outrageous. That dollar is not only a cause of our economic problems but it is also a reflection of them. The lower the dollar goes, the lower our productivity. On the other hand, when the dollar goes down it is also an indicator that we are not doing well economically in our competition with the United States and with other countries. We measure our dollar against the U.S. dollar.

I would be pleased to see many bills, such as Bill S-40, come from the government that would start taking some positive steps in making our economy stronger and healthier, so that as a result Canadians can stay here and work here.

I wish to mention investment. It is atrocious that people who are looking for an economical way of conducting their investment business must go to American brokerage places to get the best deal.

● (1720)

It is imperative that we be competitive in this country. We cannot help it. We must compete with the United States because money goes where it is most efficiently handled. The only time investors ask what the worst deal in town is is when they are forced to, like with the Canada pension plan which returns probably the lowest rate on investment income that there can possibly be. Yet everybody is forced into it so they have to participate in it.

There are many people who would love to invest outside of Canada, and I have to ask why? Why not invest in Canada? It is nice to talk about it, but we must provide the economic and business climate so that our own businesses, investment firms and banks can thrive. There is nothing preventing Canadians from taking their business outside the country. I for one believe that we can do much better than we have done so far. Hopefully Bill S-40 is one small step.

I would like to speak about the bankruptcy situation. There are thousands of people who have gone into bankruptcy. It is due to the policies of the Liberal government that thousands of businesses and farmers have gone bankrupt. Bill S-40 addresses the bankruptcy question and would help protect the financial institutions mentioned in it. It is important that we have a bill which would improve our economy and reduce bankruptcies. We must support the bill because it is a small step in improving the economy and the business climate of Canada and it is a bill for Canadians.

● (1725)

[*Translation*]

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Madam Speaker, in a former life, before I came to the House, I was a securities dealer for several years and was thus able to learn about this industry but most of all about its importance for the Canadian economy.

I thus followed with interest the progress of Bill S-40 from the other place to this House, in order to give it my support.

I also followed to a certain point the development of that industry, even if I am otherwise concerned.

Some hon. members: Oh, oh.

Mr. Mauril Bélanger: I invite the members across the way to show some courtesy. Although they do not seem to be willing to, I will keep talking.

The evolution of the industry—with the specialization of various stock markets and stock exchanges in Canada, especially that of the Montreal Stock Exchange—is important for the Canadian economy.

I believe that the bill we have before us—and I am not the first one to say so since all parties seem to have recognized the bill entitled an Act to amend the Payment Clearing and Settlement Act—will improve the competitiveness of the Montreal Stock Exchange compared to foreign stock exchanges offering a similar range of products.

I wish to congratulate its president, Mr. Luc Bertrand, for his efforts in explaining to the government and opposition parties the timeliness of this bill which will modernize the legislation and, in a way, correct this flaw.

Finally, I wish to congratulate my colleagues for their cooperation, even if we do have our differences about the bill's origin, for instance. All have recognized its relevance and necessity. It goes to show that when we want to, we can easily cooperate get things done in order to help our financial institutions be competitive.

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

(Motion agreed to, bill read the third time and passed)

PRIVATE MEMBERS' BUSINESS

● (1730)

[*English*]

CRIMINAL CODE

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance) moved that Bill C-292, an act to amend the Criminal Code (selling wildlife), be read the second time and referred to a committee.

She said: Madam Speaker, I am pleased to finally have the chance to debate Bill C-292. I first introduced it in the 35th parliament on April 30, 1996. It predates the government's first effort at its species at risk legislation which was introduced six months after my private member's bill but because of the proverbial luck of the draw, this is the first opportunity to debate my private member's bill.

The mode of the bill is quite simple. It is to protect animals. As a British Columbian, I was horrified several years ago to hear how bears were being slaughtered for their body parts. In 1995 almost 25% of the bears killed were poached. That means almost 1,300 bears, including 90 grizzly bears, were illegally killed. Bear parts can sell for thousands of dollars yet in most cases the provincial penalties pose very little deterrent.

Two years ago two residents in my community of Surrey, British Columbia were fined $7,000 and sentenced to 17 days in jail for selling 18 gall bladders from illegally killed bears. Considering that at that time the bear gall bladders were fetching $800 apiece on the street, there is a need for tough criminal penalties to deter organized poaching activities.

There is federal legislation which covers a small portion of what this activity entails. It is the Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act or WAPPRIITA. It imposes similar types of penalties that are found in Bill C-292 but only for offences where the crown can prove that the wildlife or the wildlife part actually crossed provincial or international state boundaries.

WAPPRIITA does not cover any offence that takes place in one province. Only the provincial legislation is in place for these offences. What I am hoping to do with Bill C-292 is to fill this loophole, ensuring that all offences of this type can be prosecuted under federal legislation.

The bill aims to criminalize the most serious cases of wildlife poaching by providing law enforcement and wildlife officers with the discretion to either pursue the most serious cases of poaching through the criminal code or through existing provincial legislation. The bill would make it a criminal offence to sell wildlife or any part thereof; to kill or capture wildlife for the purpose of selling that wildlife or any part thereof; or to possess wildlife or any part thereof for the purpose of selling that wildlife or part thereof. It sounds repetitive but that is how one has to write legislation.

This proposed section would not apply to any person who has a valid licence, permit or exemption order issued by either the federal or provincial governments. Offences under this section would be listed as an enterprise crime offence. The reason for this is to allow law enforcement officers to use the proceeds of crime legislation to seize assets of individuals or organizations involved in organized poaching schemes.

The bill does not create any new offences. The provinces would still have jurisdiction to determine what activities are deemed illegal. It does not encroach on those provincial jurisdictions. The bill would only give law enforcement or wildlife officers the discretion to proceed with prosecutions through their own provincial legislation or in cases of more serious offences, through the criminal code.

It is very similar to the way serious motor vehicle offences are handled, where law enforcement officers are given the discretion to either prosecute them through provincial legislation or to prosecute them through the criminal code. The bill would give the provincial authorities an opportunity to determine when something is serious enough and they want to have steeper and stiffer penalties to try to stop it from occurring.

● (1735)

As the only reason members might not support the bill is they feel it would encroach on provincial jurisdictions, I reiterate and stress that it would not encroach on provincial jurisdictions. It would allow for a greater variety of charges and the possibility to make sure that the matter is treated the way it should be treated if it is a serious offence.

I repeat that the bill has been around for a long time. I introduced it into the system back in 1996. The bill the government has put forward, the species at risk legislation, was introduced approximately six months after my bill and still has yet to be passed. During the period of time from when the federal government introduced its legislation that many years ago until now, there has been absolutely no protection for wildlife that is being poached across Canada. Because my bill does not have to deal with the more complex issues such as habitat and compensation, it would at least allow some sense of protection for people who are concerned about protecting species at risk.

One other difference between Bill C-292 and the government's species at risk legislation is that Bill C-292 would apply to all wildlife, not just species at risk. Black bears are not a species at risk. Believe me there are a lot of them in people's backyards in the Vancouver area right now. The point is that people are illegally killing bears, black bears and grizzly bears, who some would argue might be species at risk. People are not killing them for their meat. They are not killing them because they are hungry, not because they have any use for them as food, but simply because certain bear parts have become a commodity.

The brochure “From Forest to Pharmacy: The Global Underground Trade in Bear Parts” outlines the number of bears and the number of wildlife that are killed for their parts. The parts are exported for use by individuals who feel there is some reason they may want gall bladders or bear paws. There is evidence that this is a serious situation and should be dealt with.

As I said earlier, the bill would protect all wildlife species that are being slaughtered, from the bighorn sheep in the Rocky Mountains, to grizzly bears, to black bears, all animals and not just endangered species.

The bill deserves to be supported. It quite simply outlines an area where we can try to address some of the issues with regard to the illegal slaughter of animals. I hope that all members in the House are able to support the legislation and allow it to go through to provide some protection for animals.

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, I am very pleased to speak to the provisions in Bill C-292, which is an act to amend the criminal code dealing with the sale of wildlife. If passed, the bill would create a new part in the criminal code, that is part XI.1, and would create three new offences relating to the selling of wildlife. These offences would apply despite the provisions of other federal acts of parliament. However, the bill expressly states that the section setting out offences does not alter the application of any existing aboriginal or treaty rights.

The offences proposed in Bill C-292 would address three activities: the selling of wildlife in whole or in part; the killing or capturing of wildlife for the purpose of selling that wildlife in whole or in part; and finally, possessing wildlife for the purpose of selling wildlife in whole or in part. It is worth noting at the outset that in contrast to the penalty provisions found in the Canada Wildlife Act, the Migratory Birds Convention Act of 1994, the Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act and Bill C-5, which is a bill respecting the protection of wildlife species at risk in Canada which is currently before the House, the offences in Bill C-292 are considered to be so serious that they must be proceeded with by way of indictment.

This approach is inconsistent with the classification of offences elsewhere within the criminal code. For example, the offence of sexual assault is classified as a dual procedural offence, which means that the crown may elect to proceed by summary conviction or by indictment. It would appear to be inconsistent from a policy point of view to classify the selling of wildlife as an indictable offence when other offences considered more serious by society are classified as dual procedure offences.

Also, there would be a cost implication to the provinces and territories if straight indictable offences were created. All persons charged with any offences under the act would have the choice of a trial, including the possibility of a jury trial. The maximum penalties available in Bill C-292 range from two years to eight years depending upon whether the offence is a first or subsequent offence and also depending upon whether the wildlife involved is a threatened or endangered species. As an indictable offence, there is no limit to the amount of the fine that may be imposed.

Most members in the House would agree that the goal of discouraging the selling of wildlife and wildlife parts, particularly wildlife which is threatened or endangered, is a laudable one. The question though is whether or not this particular bill is the best way to achieve this goal. This in turn raises a larger question. Are the provisions of Bill C-292 in their essence about the prohibition of morally blameworthy behaviour which is traditionally associated with parliament's exercise of its criminal law power? Alternatively, is Bill C-292 more accurately characterized as a public welfare offence, which is traditionally associated with regulatory offences in a civil context?

It is the position of the government that from a constitutional perspective, Bill C-292 in its pith and substance is concerned with the regulation of wildlife rather than with prohibiting morally blameworthy behaviour. As such, the proposed amendments to the criminal code cannot be supported.

I would like to take this opportunity to briefly outline some of the features of the bill that are traditionally associated with the creation of offences in the regulatory context rather than with criminal code offences.

One important feature of the bill is that it does not apply equally to all Canadians. It expressly exempts from application any person who is authorized pursuant to a federal or provincial permit or licence to commit the acts which otherwise would qualify as an offence, as long as the wildlife involved is not a threatened or endangered species. Exemptions of this nature are extremely rare in the context of the criminal code.

● (1740)

Bill C-292 also permits the Minister of the Environment to exempt from the application of the act "any person or class of persons" in respect of a threatened or endangered species where "in the opinion of the Minister", and I will underline the word opinion, "the exemption is necessary or in the public interest". A provision of this nature is at risk of being declared unconstitutional on the basis that the criteria are so subjective and general that they do not provide any real limits on the behaviour to be exempted.

Another feature of the bill, which is not normally found in the criminal code, is that the Minister of the Environment is given the power to designate by regulation an animal as wildlife for the purposes of the act. Another provision would permit the Minister of the Environment to designate a species of wildlife as either an endangered species or a threatened species, provided that the minister had consulted with the Committee on the Status of Endangered Wildlife in Canada. Again, these provisions are more consistent with legislation aimed at the protection and regulation of wildlife than they are with provisions found in the criminal code.

As noted by constitutional law expert Professor Peter Hogg, "A criminal law ordinarily consists of a prohibition which is to be self-applied by the persons to whom it is addressed. There is not normally any intervention by an administrative agency or official prior to the application of the law".

A final feature of the bill I would like to note is that in the criminal code context, search and seizure powers given to peace officers and public officers are very carefully crafted. This is in keeping with the principle that the state powers of intrusion on the privacy of individuals should be used with restraint. The search and seizure provisions in the bill are not entirely consistent with those elsewhere in the criminal code. I think there has to be a very clear policy reason for diverging from provisions used in respect of all criminal code offences, including the most serious offences.

Finally, I think the interests of justice are served by a consistent and co-ordinated approach to the subject areas within the legislative competence of the federal government. Some of the provisions of Bill C-292 overlap those in the current wildlife legislation and also those in Bill C-5. This is problematic to the extent that discrepancies exist between these various pieces of legislation.

In view of the constitutional competence of the provincial governments to regulate the use of wildlife on provincial lands, I would urge those jurisdictions that are experiencing problems with the sale of wildlife or wildlife parts to work with their respective governments to address this problem in a regulatory context. This approach is preferable to that in Bill C-292, which incorporates into the criminal code mechanisms that are more often seen in regulatory offences.

In conclusion, the provisions of Bill C-292 cannot be supported because they are potentially in conflict with other federal legislation and are inconsistent with other provisions of the criminal code.

● (1745)

[*Translation*]

Mr. Robert Lanctôt (Châteauguay, BQ): Madam Speaker, first of all, even if the member introducing this bill seems to be saying that it will not replace provincial legislation, but will only add certain provisions, we see a tendency on the part of the government to interfere excessively in provincial jurisdictions, particularly Quebec's jurisdictions. The Bloc Quebecois thinks that this bill is unacceptable.

We cannot believe it came from the Canadian Alliance, the party that keeps saying we must respect the Constitution Act, 1867, and that the jurisdictions are quite clear. Once again, someone is proposing interference. I am rather disappointed. At the Standing Committee on Justice and Human Rights, we were told that we must respect the jurisdictions, so I am surprised to see that, with Bill C-292, we have another attempt to interfere with provincial jurisdiction.

Quebec has legislated in this area. Chapter C-61.1 of the act respecting the conservation and development of wildlife provides the rules concerning the purchase of wildlife. I agree with my colleague from the government side on this. Quebec already has legislation on the protection of wildlife forbidding the direct sale of wildlife.

The Bloc Quebecois is against the bill. While the Quebec act does not provide for the same penalties, its provisions are quite similar. We find this in the act respecting the conservation and development of wildlife. There are sections on the actions, such as sections 165, 167 and 172. We have fines of $500 up to $16,400. We also have jail terms of up to one year. In the Quebec act, we even have administrative penalties causing the suspension of licences for up to six years.

I repeat that Bill C-292 is totally unacceptable. We will never accept such a bill, which did not come from the government but from the official opposition. It reproduces what Quebec has done already.

Other provinces that have not done their homework should get down to work. Everthing concerning lands is stipulated in the Constitution Act, 1867. We have made it clear that we are against Bill C-5 introduced by the government. This is almost the same thing. The government member said so in his speech, and he was right. I do not want to go over the iinterference issue relating to both these bills. There is a good reason why the Bloc Quebecois is not supporting Bill C-5. It is for the same reason we are not supporting Bill C-292.

The deterrent effect has been mentioned. Provincial authorities and attorneys would be given a choice between filing charges under a provincial or a federal law. That hardly constitutes a deterrent. Both laws are almost the same. We are getting four quarters for a dollar. Yes, we do need to prevent these offences, but there is already a provincial act in force in Quebec. It is now up to the provinces that do not have one to legislate.

What I find unfortunate it that something as comprehensive as the criminal code is being used to do indirectly what cannot be done directly.

● (1750)

The criminal code is being used increasingly to amend other legislation. I find that this is a major concern. This act is one of the most important in Canada and, indirectly, in Quebec.

What is found in the criminal code is not supposed to be considered as an important tool, to use a very positive expression, for the protection of wildlife.

It is obvious that it is something important for all Quebecers. It is so important to note that our government in Quebec City has done its homework. It has set out important penalties, such as fines of up to $16,400, prison terms and even licence suspensions.

I do not know what happened with the Alliance, but I certainly hope that it is only a mistake. The Alliance members keep talking about the need to work for the regions, about the need to respect the Constitution, the federation and the powers granted by the Constitution in 1991 and 1992, and generally about the need to respect the Constitution.

I only hope that this is a mistake, and that it will not happen again, because it goes against everything that you have been saying in your speeches. I prefer what you have been saying about the protection of the real provincial and federal jurisdictions.

Animals need protection. Quebec is protecting them, under the the act respecting the conservation and development of wildlife.

● (1755)

[*English*]

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, it is a pleasure to take part in the debate today. I will begin by congratulating the hon. member for South Surrey—White Rock—Langley for a laudable effort to bring to the attention of parliamentarians and Canadians the difficulties we have with regard to the selling, killing, capturing or possession of wildlife. The issue is not unique to Canada but she has confined it to that.

We have heard the view of the government and the justice department. We have heard the view from Quebec and it does not auger well for the bill's success at the end of the day. However it is laudable and important to bring the matter to the floor of the House of Commons. Perhaps as a result provinces and territories will significantly increase sentences, fines or both when there are convictions under the law.

I am not trying to sound like the hon. member for Elk Island who often talks about his travels around the country and the world. However some 20 years ago I was travelling through Australia where I read occasionally about people capturing wildlife there or bringing it in from elsewhere and transporting it to other countries. The fines for smuggling cockatoos and similar exotic birds, at least exotic in our part of the world, were effectively a slap on the wrist.

I often thought about the dangers of smuggling drugs from country to country and the stiff penalties people incurred if they were captured or convicted. I compared this to the slap on the wrist one would get for capturing and bringing in wild birds via suitcase, birds that would fetch a high resale price on the open market.

We need to pay attention to what is happening and preserve wildlife in Canada. We are losing it at a great rate. That is why the government is concerned and has brought forward legislation. It is not effective enough in our opinion but nonetheless it is important.

There was some talk about provincial wildlife laws. In her speech the hon. member indicated she did not want to replace provincial and territorial laws but rather complement them. She said it would be similar to the way parliament has placed some of the most serious motor vehicle offences in the criminal code instead of relying solely on provincial legislation.

I listened intently to the hon. Parliamentary Secretary to the Minister of Justice who raised some interesting arguments about why the bill would be difficult to incorporate. He said there would exemptions and the indictments would be inconsistent. At the end of the day the justice department is of the opinion that the bill cannot be supported.

Nevertheless I fully congratulate the hon. member for South Surrey—White Rock—Langley. It is a private member's bill so each member in our caucus will decide whether to support it as it is now or abide by what was said by the previous two speakers who spoke in opposition to it.

● (1800)

I would like to take a brief moment to thank the World Wildlife Federation. As the hon. members know, all members in the last House were linked with other animals, fish or wildlife. I had the great good fortune to be linked with the grey wolf. I do not know whether it is the grey in my beard, which appears more every day, but it is a privilege and an honour and I take it very seriously. Again, I congratulate the member.

Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.): Madam Speaker, I am pleased to rise today to take part in the debate on Bill C-292, an act to amend the criminal codes (selling wildlife), as presented by the member for South Surrey—White Rock—Langley.

Let me begin by congratulating her on this private member's bill. I can assure her that I will support the bill.

I should say to the Liberal member that this bill is at second reading and I am sure there will be a lot more debate in committee, if it goes to committee for debate. There is no such thing as a perfect bill when it comes to the House in the first couple of stages, so I remind members that I am sure there will be changes made to the bill before we get to vote on it at third reading.

Being the fifth speaker, let me reiterate what the bill is about.

The purpose of this enactment is to make the selling of wildlife and wildlife parts an offence under the criminal code unless carried out under and in accordance with a licence, permit or an exemption order. In other words, this is exactly what we need, for are all citizens of this country, both aboriginal and non-aboriginal. We know the problems with regard to poaching which perhaps endangers not only endangered species but also those regular species in our wildlife habitat, including fish.

I also understand that there is cause for concern in terms of an attack on the jurisdiction of provincial governments. I will just quote from the communication of the member for South Surrey—White Rock—Langley to her colleagues in reference to the bill. The letter states:

> My legislation eliminates the need to prove international or interprovincial transportation by adding a section to the Criminal Code. My bill does not create any new offence—the provinces will still have sole jurisdiction to determine what activities are deemed illegal. However, wildlife peace officers will have the discretion to pursue the most serious case of poaching through the Criminal Code, or through their respective provincial legislation.

That shows me that the provinces will still have the final say regarding their provincial legislation and the regulation of the taking of wildlife, game or fish.

The other thing is exclusive jurisdiction over the management of wildlife fish or game still rests with the federal government from coast to coast to coast.

To ensure that the bill is about the selling of wildlife, what I to read section 447.2, which states:

> Notwithstanding any Act of Parliament, but subject to this Part, no person shall
>
> (a) sell wildlife or any part thereof;
>
> (b) kill or capture wildlife for the purpose of selling that wildlife or any part thereof; or
>
> (c) possess wildlife or any part thereof for the purpose of selling that wildlife or part thereof.

In other words, the emphasis is on selling game which is taken for domestic or personal use. Essentially this is the problem we encounter. There are aboriginal and non-aboriginal people out there who take wildlife and sell it or trade it for monetary gain. That is a threat to the wildlife itself. On that principle, I must applaud Bill C-292 as necessary legislation.

One of the exemptions deals with aboriginal and treaty rights. In fact, part (3) of section 447.2 states:

> For greater certainty, nothing in this section shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada under section 35 of the Constitution Act, 1982.

● (1805)

I will comment on the taking of game and fish by the aboriginal community. Under current treaty laws the taking of wildlife and fish by aboriginals is permitted for the purpose of sustenance. I approached the ministry a year ago to ask for a definition of sustenance but was not given one. However most people understand sustenance as putting food on the table. That is a pretty clear and simple definition.

For purposes other than putting food on the table the same rules for the taking of wildlife and fish should apply all of us, aboriginal and non-aboriginal alike. I bring this up because my province of Manitoba has no hunting or fishing regulations which apply to sustenance or the taking of fish or wildlife by aboriginal people.

This has created a huge problem. At the start of the winter aboriginal people took fish from two stocked lakes in my riding. To the tune of 100,000 pounds of walleye was taken from Lake of the Prairies, most of which was mature stock. Approximately 150,000 pounds of mature breeding stock was taken from Lake Dauphin. Under the guise of sustenance the fish was taken and sold on the market. A lot of it was sold through the Freshwater Fish Marketing Corporation which is a federal agency.

Citizens of my riding are asking what the government will do about this. It would be no different if non-aboriginals poached 100 black bear, took their galls and put them on the international market. There is a void. We need regulation. We need laws.

As I said earlier, the federal government has exclusive jurisdiction over the management of resources across the country. If the province will not put in regulations the federal government needs to show leadership, take responsibility and act in the best interest of Canadians. For that reason alone Bill C-292 has a lot of merit. We need to support it.

We have reached a point in my riding where a resource management group has emerged whose members include municipal leaders, resource and fish enhancement groups and conservation groups. It is an umbrella organization concerned about abuse of the rules by both aboriginal and non-aboriginal citizens who take wildlife.

The federal government should wake up to the realities of what is happening across the country and become involved. It is long overdue.

On a personal note I applaud the hon. member for South Surrey—White Rock—Langley for her bill. Debate needs to take place across the country. I am sure her bill will create a lot more of it. I will support Bill C-292.

● (1810)

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Madam Speaker, it is indeed a pleasure for me to rise to speak to Bill C-292, an act to amend the Criminal Code (selling wildlife). At this time I would like to commend my colleague from South Surrey—White Rock—Langley, who brought forward the bill.

The bill is very important to me because my past is tied to a wildlife sanctuary and to the issue of poaching. I was born in an area that has one of the best national parks in the world. At the time when I used to visit the national park, it had a variety of animals, including rhino, and thousands of people came to see them. It became a tourist attraction. When I recently visited that area, I saw the devastation done by the illegal poaching that has taken place there over a period of time. It was very sad to see that there was only one rhino left. The others had all been murdered just because of the illegal trade in rhino horns.

We all know the stories about the elephants of Africa that have been poached because of the ivory. If it were not for a concentrated legal effort, we do not know what would have happened to the elephant herds. It is good to see that they are coming back and that conservation is taking hold in that country and on that continent. Most important, the issue is that this is a conservation success story only because there was tough legislation, with enforcement.

My colleague gave the example of the illegal sale of gall bladders. This indicates a serious concern she had so she brought forward the bill. Why is this trade still going on? If we were to listen to the government, we would think that it has legislation which would address this issue. Obviously it has not. If it has, then there would be no need for my colleague to bring the bill to the forefront, to the forum of the House of Commons, where I am very happy to see that it has the support of the NDP and the support of the Conservative Party. That is because the issue is that the current act, the new species at risk bill and other acts do not really address this issue of illegal trading in and killing of wildlife.

I can say from experience that if we do not have good laws then we face a serious problem. We are the custodians of wildlife for future generations. We owe it to future generations to create laws and deter this illegal trade and killing so that future generations can see and enjoy their heritage. Unfortunately if we want to have a lax attitude to this, then we will pay a serious price.

The reasoning of the Parliamentary Secretary to the Minister of Justice and Attorney General of Canada speaks to the same attitude, the same solution, that the government has had of trying to address an issue but at the same time trying to not address an issue. That is the government's approach. The parliamentary secretary stated that the enforcement and penalties in the bill are not consistent with the penalties that society sees.

● (1815)

I have a little difficulty with the government's rationale. The government says that society feels certain acts should be punished but the act of selling wildlife should not. It is trying to bring that in line with other offences. I am having difficulty understanding that rationale because these are two separate issues going in different directions. Not only that, but in the bill the discretion is left to the provinces as to how they want to tackle this issue and how serious it is in their provinces.

At this time I would also like to address the issue that the Bloc brought up, which of course is always about provincial business. Their vision on this is blinded, so they do not see that the bill does not infringe on provincial rights. It actually helps provincial rights because it gives the provinces the ability to address this issue. There is nothing in the bill that goes against the provinces and, from what I understand, at the time the bill was drafted there was no protection in Quebec against the sale of wildlife. This bill will enhance that. The argument that my colleague from the Bloc presented does not hold much water.

I need to address what the government is trying to do with regard to this really very serious issue. There are enough examples around the world, in country after country, of where wildlife has been lost because the government failed to address this issue through punishment and enforcement. I seem to see the same attitude coming from this government.

The bottom line is this. The government's attitude is simple. It does not consider this a serious issue. The government believes the penalty is very serious so it is not going to address the issue and it is not going to pass the bill. Excuse me, but this is a serious issue. There are enough examples. We only have to ask conservation officers and people who deal with wildlife. They need tools to address this issue, but what do we have here? When I was growing up in Africa, I saw the same attitude from the government there. The African government did not think this was a serious issue. Society did not view it as important. It was just wildlife. Suddenly this government has awakened to the fact that it is a serious issue and that it needs to be addressed. We as custodians have lost our heritage over there and the trade has become quite dangerous.

I simply do not understand the government's attitude. My colleague has explained the purpose of her bill and its intentions. It does not infringe on provincial rights. It provides us with more enforcement to ensure that we leave a legacy behind. I hope that since this is a votable bill there will be enough members on that side of the House and on the Bloc side who will vote for it because it is a bill that looks to the future.

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Madam Speaker, it is a pleasure to enter into the debate on this important topic and a pleasure to have been able to second my colleague's bill. My colleague from South Surrey—White Rock—Langley has worked long and hard on this issue. As she indicated in her speech, she began back in 1996 with this topic. Her issue predates the government's bringing in of Bill C-5, the species at risk legislation, which obviously gives us some reasons to rebut some of the things that the member for Northumberland mentioned as to how parts of the bill may not be congruent with Bill C-5. That is because this bill came forward first. My colleague saw an important issue, one worthy of consideration.

What the representative of the government has told us tonight is basically that if members of the Liberal governing party are to stay with what he said, then the government is going to vote to allow poachers to continue to take threatened and endangered species and to buy, possess and trade in those body parts, and it is going to vote against saving wildlife.

Time and time again we have seen the government members in this place stand up and vote as they are told on private members' bills. In fact the member said that his is the government position on a private member's bill. The member from the New Democratic Party mentioned that he supports the bill but individuals from his party will determine whether they are going to support the bill or not. They will have a free vote. What a novel idea. We are obviously in agreement on that issue of having a free vote. Obviously there is support from our colleagues in the Conservative Party as well. The Bloc will also have to defend its position of voting to allow poaching to continue and against saving animals.

I do not see how that is a justifiable position on this topic. The government has told us tonight about all the reasons why it cannot do something, why it cannot support the bill, instead of actually moving forward and doing something positive, instead of voting to protect wildlife, endangered species and threatened species, and to stop poachers in their place.

It is by their actions that government members will be held accountable. They will have to defend that position when they stand in their places and they vote against saving wildlife at the same time that they are bringing in a bill called the species at risk bill. They are arguing on one side to protect endangered species, and we support that notion, but then they are going to vote against saving wildlife by voting against this bill.

The Minister of Canadian Heritage will not allow wardens in our national parks to be armed with sidearms. How does that relate to the bill? It relates to the bill in this way: that in our national parks and other parts of the country this is a well organized trade, a criminal activity, in which poachers are taking animals out of our national parks illegally. If those who are there to enforce the law are unable to have the appropriate tools to defend themselves and to seek out those who would break the law in this illegal trade of body parts of animals, how can it be stopped?

It is just unbelievable. RCMP officers patrol the national parks and are limited in their ability to go into the back country. Of course they have the ability to stay close to the paved roads, but not a lot of poachers are hanging around in the parking lots in the national parks, or at the rest stops, or at the signboards at the entrances to the parks. They are in the back country. The wardens know where these things are happening and many times they are helpless to be able to stop those kinds of illegal activities because they are not properly equipped.

● (1820)

I want to rebut another claim made by the government in debate. My colleague from Calgary East touched on it and I want to highlight it again because the member for South Surrey—White Rock—Langley clearly indicated it in her speech. It is contained in the substance of the bill that the provinces still have the ability to seek some re-conviction or make this an indictable offence. That is completely inaccurate. My colleague from Dauphin—Swan River mentioned it as well.

Let us be clear about what is in the legislation. It is a piece of legislation that would help to protect threatened and endangered species. It does move forward in a positive way to protect wildlife. It is incumbent upon the government, as the ruling party in the country, to come up with solutions to problems and to demonstrate through its actions that it is able to address issues in the country.

I mentioned yesterday in debate on Bill C-5, the endangered species bill, that the government promised in 1993 that it would move on this topic. Here it is 2002, almost 10 years later, and there is not a piece of legislation in place to protect species at risk or endangered species. That is unbelievable.

My colleague started six years ago on this topic, even longer ago than that, and has brought this to the House. We know how hard it is for a member to bring a private member's bill through the system, to get it to the point of not only getting her name drawn and getting it debated in the House, but also getting it votable. It is quite a task and I congratulate my colleague for her forbearance in going through that long and winding road to get this piece of legislation here.

It may be swept away by the backhand of the government in one fell swoop because it did not quite live up to its standards, or it was not quite good enough, or it was not the idea of a Liberal, or it was not drafted by Liberal people. I heard a colleague say that the government is so negative. I would agree in many ways. The Liberals are simply listing over and over again why they cannot support a good piece of legislation that has an effective means to stop poaching. That is basically what the member said. He gave us all the reasons they cannot support the bill.

Let me clearly state that Alliance members are supportive of Bill C-292. We know that we have support from some of the NDP and Conservative members, and no support at all from the government in any way on this issue. That is sad because what the government is saying to Canadians, and all the lobby groups that have been trying to get the government to move on this topic for 10 years, is that it has an opportunity to protect threatened and endangered species here but it will not do it. The government will vote to allow poachers to continue and it will vote against protecting endangered species and threatened wildlife.

Why? I do not know. The government has not articulated that clearly. It has given out a list of negative excuses as to why it cannot do it and it is a shame that we must end on that note today with the negativity of the government not moving forward to support a positive idea and bill that would protect wildlife.

● (1825)

It is a good bill that should be passed. We implore our colleagues on the government side to change their minds and the private members to stand in their place and support this excellent piece of legislation.

Mr. John Maloney (Erie—Lincoln, Lib.): Madam Speaker, I appreciate the opportunity to get up this evening to speak. I compliment the member for South Surrey—White Rock—Langley for her interest in this area. It is an area of concern for many Canadians, especially those who are interested in wildlife, who are perhaps very vulnerable, as well as those who are interested in the environment.

We have heard of situations offshore and international situations. People who return to the country do not realize the risks that they take by bringing in pieces of material that under our laws are illegal, such as ivory, conch shells, and alligators. This law deals with domestic problems in selling wildlife, et cetera.

● (1830)

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

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Madam Speaker, I had asked a question in question period with regard to agriculture specifically of the heritage minister with regard to the tuberculosis problem that is endemic in the elk herd in Riding Mountain National Park. It is also in the Wood Buffalo National Park in Alberta but I will deal strictly with the subject of the question which dealt with Riding Mountain National Park.

Local cattle herds were being infected with TB which was being spread by the elk outside of the park boundaries. The livestock industry in Manitoba is very large. The economic activity is significant to the farmers and ranchers in that area. A beef animal slaughtered in the United States that came from this area was found to have TB. That has resulted in many cattle herds around the Riding Mountain National Park being tested for tuberculosis, including a bison herd.

The problem is if too many cases of tuberculosis were to arise in domestic animals other countries could say that we were not a TB free country and, as a result, could take trade action by restricting exports into their countries from Manitoba. This of course would have a negative impact.

The agricultural policy framework of the government says that we are to reassure our customers around the world, including the United States, that our products are healthy. They are quality products that are raised according to standards and safety is number one. Clearly if the heritage minister were not able to manage the wildlife in national parks it would result in large problems for agriculture.

We see the contradiction between the agriculture minister and the heritage minister. They are both working at odds with each other. The minister said that science would be used and it would be taken care of. The problem with that reply is that it does not deal with what needs to be done.

Ryan Brook, a graduate from the University of Manitoba, is studying this along with provincial conservation officers and to date they have captured 40 elk, most of them females. That is an insignificant number compared with the approximate 5,000 that are living inside the park. They put collars on those 40 head to see if they leave the park and where they go. The problem with this is that it is insufficient scientific analysis.

The president of the Riding Mountain landowner association has written to the minister expressing its concerns with this. President Walter Kilwinik has said that the measures being taken by the minister and Heritage Canada are insufficient and that a culling of 5,000 elk must take place so that fewer diseased animals leave the park and cause problems with agriculture.

● (1835)

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, Parks Canada recognizes that the presence of bovine tuberculosis in wildlife and cattle in and around Riding Mountain National Park is a very serious issue. Parks Canada has and will continue to take a responsible approach in responding to tuberculosis and the threats that it poses to the ecological integrity and the socioeconomic well-being of the Riding Mountain area. I would also like to explain the agency's position and actions in some detail.

Bovine tuberculosis is a non-native disease in wildlife in Canada. It was introduced into the Riding Mountain area by infected cattle in the early 1900s. There has been a history of controlling the disease in cattle in this area. By 1975 it was considered eradicated from cattle. In 1991 bovine tuberculosis was again located in cattle. In 1992 it was found for the first time in wild elk.

Since 1992 three cattle herds in the area have tested positive for bovine tuberculosis leading to their destruction. Ten wild elk have tested positive over the same period as has one white-tailed deer.

Parks Canada has been active since the disease was located in wildlife in 1992. Park staff have worked with the Canadian Food Inspection Agency and provincial wildlife officials to set up an in-park laboratory to test wildlife for the disease. Collectively they have tested more than 2,000 elk, moose and deer carcasses for the diseases.

Bear in mind that of those tested only 10 have been confirmed positive for bovine tuberculosis. Although the overall rate of tuberculosis in wildlife is still low, the Canadian Food Inspection Agency has confirmed tuberculosis in the wild elk population for the Riding Mountain ecosystem.

Parks Canada is well aware of the potential impact the incidence of tuberculosis can have on the Manitoba cattle industry. Incidences of tuberculosis also have potentially negative implications for the integrity of ungulate elk populations in the Riding Mountain area. Although elk are not at immediate risk to the presence of tuberculosis, we recognize that tuberculosis impacts on their future.

In response to these potential impacts, Parks Canada has taken a number of steps to manage the problem. In 2001-02 in response to concerns by Parks Canada, local producers and municipalities, a five year wildlife health action plan was developed by the interagency wildlife technical committee composed of representatives from the Canadian Food Inspection Agency, Manitoba agriculture and food, Manitoba conservation, and Parks Canada. The Manitoba Cattle Producers Association has recently become a member of the technical committee.

Key elements of the plan include communications; surveillance and monitoring; management action; and research. The actions are documented in the 2001-02 bovine tuberculosis management program implementation plan.

The interagency wildlife technical committee is responsible for communicating testing protocols, test results, and strategies and activities to local and provincial stakeholder groups, including the Riding Mountain liaison committee and the Manitoba Cattle Producers Association.

Parks Canada continues to be closely involved in developing strategies to deal with this disease. Parks Canada has initiated scientific projects dealing with the tuberculosis in the area, including a four year elk movement study conducted in co-operation with the University of Manitoba. Riding Mountain National Park of Canada is also actively participating in hay barrier fencing on local cattle producers' farms and is providing the Manitoba department of conservation with scientific information to aid in the reduction of the elk population outside the park through increased hunting opportunities.

Mr. Howard Hilstrom: Madam Speaker, clearly there was no mention that the herd inside the park has to be culled. The habitat inside the park has been poorly managed. Haying is no longer allowed. There are too many elk inside the park for the habitat that is there. This simply indicates poor management of our national park on the part of the heritage minister.

A cull inside the park is needed, not for hunting purposes but the meat could be used by people in Manitoba or shipped to other parts of the country. The meat could be used for human consumption.

The bottom line is the herd has to be reduced in number because it is spreading tuberculosis outside the park. Cattle herds that become infected are totally destroyed. There is no contagion coming from cattle herds into the elk. It is the other way around. The elk are spreading TB to the cattle.

The minister seems to have already made the decision with Mr. Brook that in fact it is going the other way. I heard that again tonight and that is not acceptable.

● (1840)

Mr. Bryon Wilfert: Madam Speaker, in response to the hon. member, Parks Canada will continue to be active in the surveillance and monitoring, including maintaining the disease testing facility in the park and monitoring population levels of elk.

Parks Canada has been and will continue to be closely involved in responding to tuberculosis and the threat it poses to the ecological integrity and socioeconomic well-being of the Riding Mountain ecosystem.

This is a complex problem with no simple solutions and is a shared responsibility of those affected. It is not a simple matter of eliminating elk and deer from the ecosystem. The focus is on separating cattle and wildlife, reducing elk populations to lower densities so that the disease will not spread and continue testing and research. The focus is also on working in partnership with the cattle producers, local residents, the Canadian Food Inspection Agency and the province of Manitoba.

We are confident there is a strong program and partnership in place to deal with this very difficult issue raised by the hon. member.

The Acting Speaker (Ms. Bakopanos): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.42 p.m.)

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