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OFFICIAL REPORT
(HANSARD)

Thursday, June 5, 2003

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, June 5, 2003

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1005)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to lay upon the table the report of the Canadian parliamentary delegation concerning its visit to Morocco and Egypt from April 13 to 23, 2003.

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CANADIAN SECURITY INTELLIGENCE SERVICE

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, copies of the Canadian Security Intelligence Service 2002 public report.

* * *

[*Translation*]

AIR TRAVEL

Mr. Marcel Proulx (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, on behalf of the Minister of Transport, pursuant to section 85.1 of the Canada Transport Act, I have the honour to table, in both official languages, the report of the Air Travel Complaints Commissioner for July 1, 2002 to December 31, 2002.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 20 petitions.

* * *

[*English*]

TERRORISM

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, it is my privilege to address the House on matters of national security. As parliamentarians, we have a duty to the people of Canada to represent, to serve and to debate. As a minister I have a responsibility to inform and that is my purpose here today.

We live in a world still scarred by the events of September 11, 2001. Since then, the world and Canada have taken great strides to enhance security. Terrorist networks have been disrupted, but they are still capable of striking. The attacks in Bali, Saudi Arabia and Morocco are proof of this. That is why it is more important than ever to ensure we do whatever we can to protect Canadians, our countries, and our friends from the threat of terrorism. That is why it is as important to understand what is going on halfway around the world as it is to understand what is happening in Canada.

Canada is not immune from the threat of terrorism. In fact, the Canadian Security Intelligence Service, whose public report I have tabled today, is aware of emerging terrorist threats and tactics that could have severe consequences for Canadians. The possibility that chemical, biological, radiological or nuclear weapons could be acquired and used by terrorist groups must be taken seriously. We cannot be complacent and simply believe that it could not happen.

In November last year, the media reported widely on a statement attributed to Osama bin Laden, including Canada among countries deserving, from his perspective, retribution for supporting the war on terror. We must acknowledge that Canada is threatened by terrorism. Simply wishing otherwise will not make it go away. That said, there is a need to balance the interests of the state and the broader community with the rights and freedoms of individuals.

Canada has become increasingly involved in the campaign against terror. From the listing of entities, to the freezing of assets, to the signing and ratification of international agreements, our efforts to combat terrorism have been both comprehensive and balanced. We continue to work with our international partners, especially those in the G-8. In fact, the Prime Minister just attended one such meeting in this ongoing effort.

On December 24, 2001, the Anti-Terrorism Act was brought into force. It has new and strong powers, and provides government with the ability to create a list of terrorist entities based on intelligence reports and information that the entity either has carried out, participated in or facilitated a terrorist activity. So far, we have listed 26 entities and work continues to identify and list more. The consequences of dealing with a listed entity are severe. In addition to seizure and forfeiture of property, penalties include up to 10 years imprisonment.

As required under the new legislation, the government has already reported to Parliament on the use of the new provisions in the act. As we have said before, we want to ensure our law enforcement and security intelligence agencies have the tools they need to protect Canadians, and we have done so while respecting the fundamental rights of Canadians to privacy. Safeguarding the public against the threat of terror remains the service's first priority, with Islamic extremism being at the top of the list in its counterterrorism program.

The September 11, 2001, attacks on the United States clearly demonstrated the threats posed by these groups. But the global security environment constantly changes and we must be aware of that. We must stand on guard against these dangers and adapt to the challenges they pose.

● (1010)

We must ensure we have the best people, the best information, and the most up to date technology and legislation to fight these threats. We have been active on all these fronts. Advances in communication and transportation as well as increased trade and migration have affected every part of our lives. They have also affected how we must protect ourselves against terror.

It is increasingly clear that no one agency or single government can fight this threat alone. Partnerships and cooperation are at the heart of our efforts to maintain safety and security. As far as CSIS is concerned, I am pleased to confirm that this cooperation already existed before, but has been solidified since, especially with agencies in the United States, our neighbour and friend. CSIS maintains relationships with departments and agencies at all levels of government in Canada and with more than 230 foreign agencies in over 130 countries.

Since September 11, 2001, CSIS has significantly increased its information exchange with its partners, but it has not changed the fundamental way it works. Security intelligence is still collected, analyzed, and reported to government according to the same methods and procedures laid down in the legislation that created the service as a separate, civilian, security intelligence organization nearly 20 years ago. However, the war on terror has intensified the pressures and demands on the service, and it has focused the attention of the world. We are part of a global effort to keep our countries and our communities safe, free, and free from fear.

Our war on terrorism is a war against those who create fear by murderous means, those who would indiscriminately inflict harm on our people, and those who seek to attack our way of life through violent means and hide in the very freedoms that our society provides.

Let me be perfectly clear. The war on terrorism will continue and undergo even more changes in the future. Recent events remind us that Canada is not immune from the threat or from acts of terrorism. That is why CSIS and its partners will continue to work to disrupt support of terrorism financing networks in Canada, deny refuge in this country to members of terrorist organizations, and ensure the security of all Canadians.

● (1015)

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, on behalf of the official opposition, the Canadian Alliance, I welcome this opportunity to respond to the Solicitor General's statement. I must question why the statement was made. The Solicitor General, other than tabling the Canadian Security Intelligence Service public report, provided us with absolutely no new information or updates on the status of security in this country. Repeatedly the Solicitor General stated:

> We must acknowledge that Canada is threatened by terrorism. Recent events remind us that Canada is not immune from the threat or from acts of terrorism.

The Solicitor General and the government should have recognized this long before September 11. Canada is not immune and was not immune from terrorism.

I stood in the House together with many of my Canadian Alliance colleagues months prior to September 11 condemning the government and questioning it for its failure to take the threat of terrorism and the threat of organized crime in this country seriously. Since 9/11 we have repeatedly demanded that the government improve the intelligence capability of our security forces by providing them with the much needed resources to do their job effectively.

We have repeatedly condemned the government for the inordinate amount of time it took to compile the initial listing of terrorist entities and the snail's pace at which it brought other names forward to be added to that list. Bill C-36, the anti-terrorism act, received royal assent in December 2001. It is a year and a half later and only 26 entities are listed as terrorist organizations, while the United Nations' list includes and identifies some 200.

Once again I take great exception to the Solicitor General's contention that the government's efforts to combat terrorism have "been both comprehensive and balanced".

If, as we have said repeatedly, the government is truly committed to the global war on terrorism, the Solicitor General should be doing much more, such as identifying and listing the entities at a much faster rate and significantly increasing the resources to both CSIS and the RCMP. The government should be tightening airport and port security. It should be providing CSIS with the power and the authority to operate abroad rather than relying and piggybacking on other foreign countries for intelligence information.

As a member of the Subcommittee on National Security, I have repeatedly questioned witnesses regarding whether or not the powers of CSIS should be expanded, or whether a new and separate agency should be established based on differing opinions and different individuals coming forward with different ideas regarding this.

In 2002 Richard Fadden, the former deputy clerk of the Privy Council, publicly questioned if it was "time to think about a formalized capacity to collect foreign intelligence".

Although the director of CSIS disputes it, many experts claim that CSIS is limited by law from taking an offensive stance with overseas espionage, relying primarily on the help of spy services from other countries for its external intelligence. Furthermore, a federal study concluded that Canada needs overseas units to intercept and obstruct criminals and/or their illegal commodities from reaching Canadian shores.

The former foreign affairs minister, and one of the Liberal leadership hopefuls, is on record as stating that rather than expanding foreign intelligence capabilities to CSIS, he would prefer a separate agency established within foreign affairs, much like the United States' Central Intelligence Agency.

A number of security experts have strongly suggested that the government establish a formal ministry of national security headed by a single cabinet minister with foreign intelligence capabilities. This recommendation was made in respect to concerns raised in 1996 by the Auditor General that there was within our national security information systems "a pattern of inadequate information to support front line officials responsible for national security". In other words, put it under one cabinet post, under one portfolio.

● (1020)

Many concerns have been raised regarding the lack of coordination and cooperation within the 17 different federal departments and agencies with national security responsibilities. Yet, the present Solicitor General and other solicitor generals have failed to address the Auditor General's 1996 findings. The Solicitor General has failed to initiate the debate regarding establishing a new national security ministry. He has failed to provide our security forces with the power and capabilities to collect foreign intelligence.

We continually hear how important it is that we rely on foreign countries. We agree it is important that we need to coordinate a network but we have no, or very little, capability to gather our own information.

Therefore, I take great exception to the Solicitor General's statement that CSIS has significantly increased its information exchange with its partners. I take great exception to the assertion that Canada has become increasingly more involved in the campaign against terror. More important, I take great exception to the Solicitor General coming to the House today and making a statement on security that provides absolutely no new information, no new announcements and no new updates as to the state of security in this country.

[*Translation*]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, in response to the statement made by the Solicitor General, I must echo the sentiments expressed by my colleague from the Canadian Alliance.

This statement is useless. It contains no new information. A year and a half after the events of September 11, 2001, the government tells us that terrorism could affect Canada and Quebec. Everyone knows this, this statement contains nothing new.

This statement simply takes up time in the House to tell us what everyone knows. We know that terrorism could strike Canada and Quebec. Why bother making a statement about it? Again, it is so the minister can use time use time in the House to say nothing.

At some point, whether in committee or in the House, he needs to answer instead of making statements that are obvious to everyone. We do not have certain information on specific issues. I have been asked questions about the sponsorships program. We asked him how many files were under investigation. How many files were transferred to the RCMP? How many charges have been laid in relation to the sponsorship program?

Yet, the Solicitor General never has anything to say about these issues. That is when he should be making statements. But today, what new policy did he announce? What is the organization or department that he could have created to deal with the problem of national security?

There was nothing new. He just wanted to take time in the House to make a statement in front of the television cameras. That is about the only time we get to see him these days, on television. He needs to answer our questions about various situations we ask him about, but when we do, he says nothing.

During a meeting of ministers of justice at the G-8 summit in Paris, he was ridiculed. All of the other countries were asking him, "What are you going to do about the national security situation in your country?" All the Solicitor General did was mention the measures he has taken, such as Bill C-36, the Anti-terrorism Act, or Bill C-17.

He takes his orders from the United States. We have lost some fundamental rights and we also have a problem with privacy rights. The Solicitor General has created nothing new. All he has done is tell us what has been done over the last year and a half. Is this a situation that should continue or should it improve?

In his statement we see that CSIS is doing some new work, that it is dealing with more information, which is completely false. Whenever he is asked questions on this subject in committee, the Solicitor General can say nothing. He hides behind the confidentiality of CSIS and we cannot get any information out of him.

This Solicitor General took up his position at a very critical time, but since then he has been very quiet, except for coming here to announce that another organization has been put on the list of terrorist entities. Today, he has told us absolutely nothing new in terms of policy.

Why is it that we cannot use codes like the United States does, if there are threats or dangerous situations on the horizon? They talk about code red, code orange, code yellow, to let the public know whether the threats are real or not. The Solicitor General has no vision and he does not inform the public, except to deliver a completely meaningless statement. I repeat: his statement is meaningless. All he has done is make a statement about something we have all known about for a year and a half.

When the G-8 justice ministers met, he could have been more specific. This Solicitor General said: "Before an identity card including biometrics and fingerprints, is issued, privacy issues will have to be considered".

I was there and I can tell the House that when the Solicitor General raised this point, he was rebuffed by the representatives of the seven other countries, as well as the European Union. He did not even get up; he did not take up the torch and say, "We have to be careful when dealing with a misconception; we must not give the public a false impression".

● (1025)

They are undermining fundamental rights; they are vindicating Bin Laden, who orchestrated a totally senseless act on September 11. Is Canada truly threatened? No one knows. We are told that there are potential threats.

However, in making useless statements and addressing this issue yet again, one year and one-half years after the fact, the purpose is not to alarm the public, it is merely an attempt to keep people informed, to ask them to stay on their guard and to tell them that we absolutely have to pass legislation to protect our nation and keep it safe. Come on.

The Solicitor General is only making these statements to open the door to other antiterrorism bills, such as Bills C-36 and C-17. Consider Bill C-17. Whenever people, whether it is you, I or one of my hon. colleagues, travel outside or inside Canada or Quebec, their personal information is collected just in case an officer suspects that such individuals have ties to terrorists. Come on.

Once again, the RCMP will use these lists to obtain information blindly, which goes against our privacy. No one here, in Canada or Quebec, will be able to ask that this information be removed if no such link to terrorists is found. The assumption here is that any of us could be a terrorist.

But once again, today, I am obliged to comment on such a hollow statement. Other things could have been discussed today, instead of this.

We know that there are potential terrorists throughout the world, particularly in free countries such as ours. But there is an attempt here to cost this country and Quebec all their hard-earned freedom and democracy because the current argument is based on hypothesis. If such situations do exist, we would ask that such information be provided when we ask for it. The same goes for the sponsorship program. The Solicitor General should answer questions, when asked.

● (1030)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am pleased to comment on the minister's statement on security, which is a very important issue in this country at this time.

Unfortunately, the minister's statements this morning do not give any indication that the country's security has improved.

[*English*]

It is wonderful the minister has come here this morning to tell us that he recognizes his obligation to report to this House and to report to Canadians about the state of security. Unfortunately, he has not provided the necessary assurances that we are looking ahead. This seems to be very much a status quo report of what has happened since the time of the threat to North America being augmented by the attacks on Washington and New York City. We need to be as cognizant of the fact that the world has changed substantially and that with these changes we must be proactive in meeting the challenges head on.

The threat of terrorism is real, as the minister said, but it exists beyond our own borders. The attacks on the United States have been a harsh reality check for everyone. We need to work cooperatively with all elements of security around the world. We have to be very proactive, as the minister has recognized by ending financing of terrorism. We must ensure that no one is left with the inaccurate opinion that Canada is a safe haven for terrorists.

As we have witnessed in the past number of days with a warning from our closest ally south of the border, the United States, we must work cooperatively to enhance the exchange of information among nations if we are to succeed in eradicating terrorism. We must be diligent in our own security forces in ensuring the sharing of information between our forces here at home, and finding ways of intensifying and accelerating the exchange of operational information, especially regarding the movement of terrorism, forged travel documents, traffic in arms, the use of communication technology and the possession of weapons of mass destruction by terrorist groups. This is an ongoing challenge, admittedly, and our intelligence agencies in Canada have worked very diligently but under sometimes strained circumstances. I would suggest their resources do have to be increased significantly.

As American Ambassador Paul Cellucci said quite recently, security trumps trade. We must be cognizant of the broader implications for not acting upon the current situation. We must commit to work closely with the United Nations and other international organizations, including the G-8, in the fight against terrorism. Clearly, it does not stop at our border. In so doing, the ultimate goal should be the protection of the Canadian public and a warning system that provides advance notice against threats to North American security.

The national extension of NATO is a security perimeter, a North American security perimeter, and is a policy I believe we should examine. CSIS works with over 230 foreign agencies in over 130 countries, but this government can do more to facilitate action against terrorism. I believe we should certainly be examining the need for CSIS to have a presence abroad that would include foreign intelligence gathering capability.

The Anti-terrorism Act, Bill C-36, which is now in effect, does give the government strong powers, powers which provide the government the ability to create the list of terrorist entities that are currently based on intelligent reports and information. A balanced approach must be always be taken, however I believe this capability has not been used effectively since this act's inception. The information must be accurate at all times and acted upon to serve its basic purpose.

This alone is not enough. We must see the inclusion of the 26 terrorist entities on the list as a positive move, but Canada must embrace a spirit of cooperation with other countries to regard this as a very real action against terrorism. A strong North American security perimeter will be needed and Canada must work closely with our North American partners to develop such a plan.

There are a number of ways in which we can build upon the excellent work of the men and women who are tasked with the security of Canada. Ports police should be examined. We should very much move toward securing the ports of North America and Canada. This alone is perhaps the biggest threat to North American security, with the number of container ships that move into Canada every day, the amount of traffic that comes into these ports and the ability to bring anything from child pornography to a nuclear bomb into this country. I do not want to sound alarmist but with the number of containers coming into Canada we have to do more to secure our ports.

Targeted resources for our Coast Guard, military and frontline law enforcement must be pursued. This is a strong priority at this time in our country's history. We need strong, effective leadership on this account. I would urge the Solicitor General to make strong representations to his cabinet colleagues to increase resources in these areas. This will be the basis for providing Canadians with a plan of action, a plan of action in response to the cowardly acts of terrorism at home and abroad.

● (1035)

We applaud the job of CSIS but we realize as a nation that we must maintain our resolve and we must stand with those individuals; stand on guard for all Canadians.

The Solicitor General has an important historic role to play in Canada's future on this file. We wish him well in this regard. We appreciate him bringing this information before the House.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I appreciate the opportunity to rise in the House today to respond to the statements made by the Solicitor General on the question of national security, and the report that is being tabled in the House.

First off, the NDP has been a party in this Parliament that has stood up time and again to speak out and express what I think are the really very deep concerns of Canadians around issues of security as well as the increasing use of very substantive strong legislative powers, such as Bill C-36, which go far beyond the purview of dealing with security and which move us into the environment of fundamental civil liberties, a right to privacy and respect for the rights of individuals.

In our party, our former House leader, the member for Winnipeg —Transcona, our former justice critic, our current justice critic, the member for Regina—Qu'Appelle, as well as the member for Windsor—St. Clair, in fact all of us in our caucus, have really monitored and analyzed the government's performance and progress or lack thereof on the issue of national security.

Since the passage of Bill C-36, the anti-terrorism legislation, in December 2001, we have had increasing concerns about what is happening as a result of this legislation, as well as other legislation that has been approved and is currently in the process of being debated, legislation such as Bill C-17, the public safety act which is currently before the House and Bill C-18, the new citizens act. What holds these pieces of legislation together is they all contain extraordinary powers that when used by organizations like CSIS or the RCMP, can fundamentally violate the rights of individual Canadians.

While the minister has said today that there is a threat against Canada in terms of terrorism, it is most important that we ensure the war on terrorism does not also become a war on targeted minorities, especially those Canadians of Middle Eastern background or from the Muslim community.

We have been monitoring various cases that have taken place in Canada. We are very aware of the fact that there has been an increase in problems at border crossings for Canadians. They are being held up, being fingerprinted, having mug shots taken and being turned back. We are seeing an increase of racial profiling take place.

The whole question of the harmonization of our borders with the U.S. under the guise of security is something that should be of deep concern to us. One of the fundamental problems is whether we have adequate civilian oversight in terms of what is taking place as a result of this legislation being implemented and others that are now about to be approved through the House.

Even over the last few days, in the House of Commons in question period, the Solicitor General has been questioned by members of the opposition, including our party, about the role that CSIS has played. While in his statement today the minister claims that this department acts in full cooperation with all other federal departments, clearly what is coming out of the trial which is underway in Vancouver on the Air India case are some very serious questions about the lack of cooperation and the territorialism between the RCMP and CSIS.

We have a very significant concern about the nature of the work of CSIS as it is implemented as a result of legislation like Bill C-36, and who is actually protecting the civil liberties of Canadians.

I notice that today in the minister's statement that he barely mentioned that element. It seems to us that this is a fundamental question which the government needs to monitor in terms of, as he himself has argued today in the House, legislation that has incredibly strong powers.

● (1040)

We want to know why the Solicitor General is not taking the necessary steps to ensure there is proper civilian oversight of Canada's secret police. We want to know why there is not adequate civilian oversight on legislation like Bill C-36. We want to know how groups can be added to lists and yet there is not adequate disclosure for the reasons behind it.

However the biggest concern we have and one which has been expressed by many Canadians is that the legislation would create a political and social environment where people become suspect on the basis of how they look, where they come from or what their religion is.

I see the Solicitor General smiling at this but this is a very serious question. We have cases in Canada, such as the case of Mohamed Harkat who has been in jail since December 2002. We have the case of Mahmoud Jaballah who has been in jail since August 2001 on the basis of security certificates. A couple of cases were recently shut down by a judge as not having merit.

Today I will be going to the citizenship committee where we are beginning clause by clause debate on Bill C-18 where the use of security certificates will now be extended into possible use against citizens. The net is widening and the powers are widening and it is done, we hear from the government, on the basis of protecting Canadian security.

What about the protections of our democratic rights? Who in the government, what agency, what body is providing that kind of accountability so Canadians can be assured that the legislation, which was previously approved, does not go so far down the road that we have fundamentally changed the nature of our society?

We appreciate the fact that the report has been tabled today but we want to say in response that we have deep fears and concerns about the report, about the powers that have been given to CSIS and other law enforcement agencies, and about the continual undermining and erosion of democratic rights and civil liberties in the country based on the guise of security. This is something that we will continue to speak out on in the House to ensure that the government is held to account.

● (1045)

Mr. John Bryden: Mr. Speaker, I rise on a point of order. The standing orders do not provide for a government member to comment on a ministerial statement as we have before the House. Therefore I would seek unanimous consent to be allowed about three minutes to make a comment on the Solicitor General's statement.

The Acting Speaker (Mr. Bélair): Is there consent?

Some hon. members: Agreed.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I just want to say, in response to—

Ms. Libby Davies: Mr. Speaker, I rise on a point of order. The NDP did not give consent. We would be prepared to do that if other members of the House can also make a brief statement. That would be acceptable.

The Acting Speaker (Mr. Bélair): There are two things here. First, the hon. member for Ancaster—Dundas—Flamborough—Aldershot has asked for three minutes. I did not hear any negatives in the House.

An hon. member: We said no down here.

The Acting Speaker (Mr. Bélair): You did?

An hon. member: You're too far away.

An hon. member: No.

The Acting Speaker (Mr. Bélair): I heard it now. Therefore there is no more unanimous consent.

Mr. John Bryden: Mr. Speaker, I rise on a point of order. The member opposite suggested that the House would be agreeable to a three minute brief comment from myself if it were allowable to other members of the House from each party, as I understand it, at the most.

That would only be about 12 minutes at most so I would seek unanimous consent that her suggestion be adopted.

The Acting Speaker (Mr. Bélair): The member is now asking for every party to speak for three minutes. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

* * *

COMMITTEES OF THE HOUSE

HEALTH

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Health entitled "Strengthening the Canadian Strategy on HIV/AIDS".

Having listened carefully to the insightful testimony offered by witnesses, the committee now calls for appropriate long term funding to curtail the progression of this disease in our society.

Pursuant to Standing Order 109, your committee requests that the government provide a comprehensive response within 150 days of the tabling of this report in the House of Commons.

CITIZENSHIP AND IMMIGRATION

Mr. Joe Fontana (London North Centre, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Citizenship and Immigration on settlement and integration programs entitled "Settlement and Integration: A Sense of Belonging 'Feeling at Home'".

I want to thank the members of the committee for this unanimous report, with an asterisk beside "landing fees" for my friend over there in the NDP. I also want to thank the hundreds of people who made presentations, as well as the frontline workers who help our immigrants who come to this country and who are so valuable to this country. We need to help them integrate into our society. It is good for them and it is good for this country.

We would hope that the minister would, without question, adopt this report, which is far-reaching, creative, innovative and will move this country further and further to better immigration policies.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, pursuant to Standing Order 108(2) I have the honour to present, in both official languages, the second report of the Standing Committee on Environment and Sustainable Development entitled "Sustainable Development and Environmental Assessment: Beyond Bill C-9".

It might be worthwhile to note that this report is for Parliamentarians, policy-makers, policy advisers and anyone interested in environmental assessment. Its aim is to give a clear sense of direction for environmental assessment through its recommendations.

The report was made possible by the valuable testimony of witnesses on Bill C-9 before the committee, consultations with knowledgeable people in the field of environmental assessment and, in particular, by Stephen Hazell. The technical and practical experience provided by him and numerous witnesses was considerable and provided the substance of the recommendations contained in this document.

This report is triggered by Bill C-9, an act to amend the Canadian Environmental Assessment Act. Within the rules of procedure, it was possible to make some 76 amendments to Bill C-9 at the committee stage.

In conclusion, something was needed for the next review of the act scheduled to take place around the year 2010. It is our hope that officials in the Privy Council Office, Environment Canada, the Canadian Environmental Agency and interested parliamentarians will examine this report and its recommendations before drafting the next bill.

● (1050)

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 33rd report of the Standing Committee on Procedure and House Affairs regarding the report of the Electoral Boundaries Commission for Alberta. This report and related evidence will be forwarded to the commission for its consideration.

I would like to thank the subcommittee of procedure and House affairs for its work on this matter. I would like to thank all members who made contributions to these hearings.

I also have the honour to present the 34th report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of committees of the House.

If the House gives its consent, I intend to move concurrence in the 34th report later this day. I would explain to colleagues that when I seek concurrence we are dealing with the committee assignments of our new colleague from Perth—Middlesex.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am told that the report from the Standing Committee on Procedure and House Affairs is not quite ready yet and will take a few minutes more to be tabled. I have consulted House leaders of all political parties in the House and they have given me the consent for the following motion. I move:

> That the chair or another member of the Standing Committee on Procedure and House Affairs be permitted to present a report from the said committee at any time during the present sittings.

In other words, later this day.

[*Translation*]

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

Some hon. members: Agreed.

(Motion agreed to)

[*English*]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, if the House gives its consent, I move that the 34th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

I would again explain that we are dealing with the committee assignments of our newly elected colleague.

(Motion agreed to)

Routine Proceedings

FIRST NATIONS GOVERNANCE ACT

Right Hon. Joe Clark (Calgary Centre, PC) moved:

> That this House respectfully disagree with the ruling of the Deputy Speaker disallowing amendments at report stage of Bill C-7 on the basis that the proposed amendments could have been moved in the standing committee since the standing committee was conducted as a disorderly proceeding.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr.Speaker, I have some difficulty in understanding what is going on here. I read the motion on the Order Paper. I guess it was yesterday that it came to my attention. My interpretation is that it would in fact constitute an appeal of the Speaker's ruling and my reading of—

Mr. Peter MacKay: Just use closure, Don.

Hon. Don Boudria: Well, the Speaker can rule, but my reading of Standing Order 10 would not permit that kind of appeal to take place. I invite Mr. Speaker to look at it. If this kind of thing is permitted I would say that it is rather precedent setting that we can put these motions to appeal Speaker's rulings when we abolished appeals to Speaker's rulings long before I became a member, and that is a very long time ago.

● (1055)

Right Hon. Joe Clark: Mr. Speaker, I do not know that there is a point of order to pursue. You have ruled. You have called the motion.

I am prepared to debate it. It is clearly our right. I admit that it is a rare procedure and I will allude to that in my remarks. It is a rare procedure because the events leading to it were quite extraordinary.

However, Mr. Speaker, with the greatest respect, and speaking as someone who has been in the House longer than the House leader, I believe this is entirely in order and I note that you have called the motion and I am prepared to proceed.

The Speaker: The Chair does have considerable reservation about the motion. I called the motion because the hon. member indicated he wanted it called.

The government House leader has pointed out what I think is a certain problem with the motion. The only reason I did not rule it out immediately, and before I even called it, was because of the wording of the motion, which is ambiguous.

However I note that Standing Order 10 of the House of Commons provides:

> The Speaker shall preserve order and decorum, and shall decide questions of order. In deciding a point of order or practice, the Speaker shall state the Standing Order or other authority applicable to the case. No debate shall be permitted on any such decision, and no such decision shall be subject to an appeal to the House.

What we have here is a motion that says that the House respectfully disagrees with the ruling of the Deputy Speaker. It does not say that it is seeking to overturn it, which is why I did not throw it out immediately. However it does say that it disagrees with the ruling of the Deputy Speaker and gives some reasons for that. In addition, it does then mean that there will be a debate on the ruling of the Deputy Speaker given on Bill C-7.

Accordingly, it strikes me that this is completely contrary to the specific words in Standing Order 10 and therefore, unless the right hon. member for Calgary Centre can convince me that this is not a debate on the decision, I must rule the motion out of order.

I think he has an uphill battle there but I am prepared to hear him further on the point if he thinks he has something that would allow him to argue that this debate is not a debate on the ruling itself, because the words of the motion suggest that it is.

Right Hon. Joe Clark: Yes, Mr. Speaker, I will certainly do my best to rise to that challenge because it is, in effect, a larger challenge. It has to do with the capacity of the House to ensure that the legislation that is passed here reflects the concerns of members of Parliament and deals directly with the issues that come before us.

I am not challenging the ruling of the Speaker. I understand that. I am making a point because frankly we have tried to make this point before in committee and in the House of Commons. There have been rulings of precedent against us on every point. There is a problem that is undeniable to the naked eye and to reasonable person who are looking at these matters regarding the conduct of debate on this particular issue. There is no other opportunity for the House of Commons to raise that concern than to do it here in the context of a motion which does not challenge the Speaker.

You make the point, sir, that the motion is very carefully written to express the disagreement of members on this side of the House and I must add, members from other parties as well. This is a disagreement that has been expressed before, with frustration, and is finding its way to our attention. That indicates a serious problem with proceedings in the House.

A constant challenge of the Speaker is to interpret the rules and the precedents in the context of what is actually happening in the House in the interests of Parliament and the people affected by the legislation. We have had instances of this before and you will know, Mr. Speaker, that with respect to your ruling the other day, in effect, the precedents established before the passage of the Official Languages Act and the Charter of Rights and Freedoms mean that the Official Languages Act does not apply to Parliament. You noted that there has been no contrary instruction to that point. I acted immediately to introduce a motion that would allow the House of Commons to decide to make itself subject to the rules that other Canadian institutions are subject to with respect to the Official Languages Act.

In this case, the capacity of members of Parliament to make their case in committee, and now in the House, has been seriously limited. The reason the motion is before the House is because we are appealing to you to ensure that the rights of members of Parliament to make amendments and to carry out our elected responsibilities are respected. It is particularly important with our fiduciary responsibility to aboriginal people.

Mr. Speaker, in your ruling a few days ago, you said:

> —if it is impossible to move the amendment in committee it can be moved at the report stage. If the committee by a motion made it impossible for the right hon. member [myself] to move some amendments in the committee, he will want to make that argument on an individual basis with respect to each of his amendments when he presents them at the report stage. He will have a sympathetic ear with the Speaker and with the clerks who advise the Speaker in respect of these matters.

Mr. Speaker, I submitted three amendments on Monday. They were on the Order Paper on Monday. There was no opportunity for me to, in your words, make my arguments on an individual basis with respect to each of my amendments when I presented them at report stage. They were taken off the list without any consultation with me at all. So the express instruction of yourself, Mr. Speaker, that I would have the opportunity to make those arguments on an individual basis was not honoured in the practice.

I am sure that while that was the case with myself, there were other members of the House who had amendments that were also deemed unacceptable by the Chair, who did not have the opportunity to present their amendments themselves.

● (1100)

What makes this even more curious is that among the amendments that were accepted two highly significant changes to the legislation were introduced by the government that would create entirely new agencies that had not been part of the original bill. One with—

The Speaker: Order, please. With great respect, we are getting into debate here far beyond a point of order. I think I have the crux of the right hon. member's point of order. He wants to debate whether or not some other amendments that he had proposed should be included in the ones that are subject to debate at report stage.

He cites with good justification the ruling I made on May 27 in respect of a matter which I believe he raised, if I am not mistaken, on this issue. He did indeed raise it and has quoted me quite correctly in stating that he would have "a sympathetic ear with the Speaker and with the clerks who advise the Speaker in respect of these matters".

I am advised that on Monday he submitted a letter including his proposed amendments and made no submissions whatsoever to anyone in respect of those amendments. Many other members made submissions. They approached the clerks and spoke to them. They gave reasons why their amendments ought to be acceptable and some of them had some of their amendments agreed to as the ones that were included in the ruling.

However, the right hon. member made no submissions with respect to any of his amendments. A ruling was made and now we have a motion that says the ruling is something the House disagrees with.

In my view this is a debate on the ruling and therefore, I rule the motion out of order

Right Hon. Joe Clark: Mr. Speaker, I was perhaps inarticulate before. Here is our concern. There is serious concern about the legislation that has been brought before this House. Members of Parliament have an obligation to move amendments and to express their concerns. We were not allowed to do that in committee and now, we are not allowed to do that in this House.

You are now telling me, and I must say that it is a surprise to me, that when the Speaker rules that there will be a full opportunity to discuss the merits of an amendment before it is deemed acceptable or unacceptable, he means that the full opportunity will be by whispering in the ear of someone at the Table.

That was not my understanding of a full opportunity. I can say with some confidence it was not the opportunity for the member for Saint-Hyacinthe—Bagot. It was not the interpretation by other members of the House. We thought that when the Speaker said we would have an opportunity to defend amendments that we were going to bring here, that the Speaker meant that we would stand in our place as members of Parliament and make our case which is what we are sent here to do.

Is there some other kind of procedure that allows people who whisper in the ear of the Chair to have a new ombudsman? A massive new amendment was brought in that had not been seen before that would create a new institute or centre. Yet, we are not allowed to bring forward or propose amendments because we do not have the adequate whisper power at the Table. That is a very alarming situation.

Mr. Speaker, you are the final recourse for members of Parliament when there are procedures that stifle and limit our capacity to do our job as members of the House of Commons of Canada. That is why I am coming to you.

● (1105)

The Speaker: I appreciate the right hon. member's appeal. I am sorry but I do not want to hear a lot more on this. I have made a ruling that, in my view, this motion is out of order and I think we should move on.

I will give an additional reason. The practice in the House at report stage for years has been that members who have amendments they wish to move make submissions on them. Various members have sent letters indicating why in their view their motions should be considered and accepted. They approached the officers of the House and indicated why they should be accepted. I received letters from members that I forwarded to those people who assist in preparing the ruling that is given by the Chair at report stage.

For the right hon. member to suggest that the only way to make submissions is by standing up on the floor of the House and talking about amendments is unrealistic. If we were to deal with those arguments here all day, we would be on points of order with respect to admissibility of amendments constantly. The whole purpose of the procedure we have adopted was to ensure that this was done in an expeditious manner in a way that was fair to hon. members and gave them a chance to make submissions.

Those submissions are drawn to the Speaker's attention when the ruling of the Chair is considered, and I point out that in this case 132 amendments were submitted at report stage on this bill and 104 of them were ruled admissible. They are being allowed for debate in the House.

I do not think it is correct to suggest that members had no opportunity. I invited it to be done in what I considered the normal and practical way in which we dealt with these matters and it was done in this case to the best of my knowledge. There were submissions received.

Is the hon. member for Portage—Lisgar rising on the same point or a different point?

Mr. Brian Pallister: It is the same point.

The Speaker: All right, very briefly.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, very briefly and with the greatest of respect to you.

Regardless of the fact that the member for Calgary Centre may or may not have made submissions, his point is valid. We did of course make submissions from this side. The opposition submitted more amendments than all other parties combined and we had more amendments accepted than all other parties combined. We made submissions regarding many of those, as you well know.

Nonetheless, the point is valid. We did not know which amendments you may or may not have ruled admissible until the precise moment when we had to begin debate. That is a factor to consider in this instance. In addition, the fact that we did not have the opportunity, upon learning of your decision, to make any subsequent appeal or submission is germane to what the member for Calgary Centre is raising in his remarks.

Naturally this comes from frustration. This is because of the position the government has adopted from the outset regarding this bill. It is advancing it as rapidly as possible and limiting debate.

In respect of the conduct of the chair during committee hearings, and in respect of the rancour and the acrimony that existed there, there is some question—and I believe the member has raised it in his motion—as to how it would be possible for members of the committee to raise amendments in that environment.

The larger question, which the member is alluding to as well, is the difficulty with the rules, which the House leader has recently imposed upon the Speaker, to fully and fairly debate, submit amendments, and have such amendments known to members of the House prior to debating the legislation. If we are limited in our ability to know of amendments or to speak to amendments or to appeal amendments we submit, then clearly our ability to act as members of Parliament is impeded as a consequence of that.

I would like to see the larger issue addressed. I believe the member has alluded to it. The larger issue is the actually restrictive—

● (1110)

The Speaker: Order, please. The larger issue can be addressed, but not by a motion like this. The motion questions the authority of the Speaker's decision and under Standing Order 10 such a motion is not debatable.

Right Hon. Joe Clark: It does not do that.

The Speaker: I am sorry, I read the motion to the House and I think that, in fairness, it does. It says that the House disagrees with the decision of the Speaker and, therefore, is debating the Speaker's ruling, which is contrary to Standing Order 10. It is as plain as day. Accordingly, this motion is out of order.

Another motion proposing a change in the rules is a debatable motion and could be moved. If the hon. member for Portage—Lisgar has problems with the Standing Orders and disagrees with the way the Speaker's rulings are handed down on report stage amendments and wants some mechanism for appeal of those rulings on certain points, fine. However, it has to be done by amendment to the Standing Order, not by this kind of motion.

He is free to move a motion to amend the Standing Orders. All hon. members are free to do that. In addition, they can approach the procedure and House affairs committee and make submissions to have the committee submit a report changing the Standing Orders. There is nothing preventing hon. members from doing that.

I invite hon. members to take the matter up there or propose a motion that is permissible in the House. The one before us today is not admissible for the reasons I have given and is therefore out of order.

[*Translation*]

The hon. member for Saint-Hyacinthe—Bagot, who is probably rising on a point of order.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am a permanent member of the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources. I have seen the how amendments were dealt with in that committee.

We had less than 48 hours to prepare a series of amendments, so we had to rush to get them through. We had our right to speak in committee taken from us. The atmosphere was aggressive, indeed violent on occasion.

The committee chair acted in a very hurried manner. I would remind hon. members that not only are we at report stage now, but we are doing second reading at the same time. We are being deprived of a stage of debate that is essential for a proper understanding of this bill. As well as being deprived of an essential stage of debate by the government's actions, we are losing 25 motions which, in your opinion, ought to have been presented in committee. This contradicts your position of a few days ago, when you told my right hon. colleague from Calgary Centre that, if he felt wronged by not having been able to move amendments to the bill after April 2, he could do so at this stage.

So he did present them, and you eliminated 25 of them, saying he could have presented them in committee. Either you are open to the fact that he could not present them in committee after April 2, as a result of the totally barbarian approach taken by the committee chair to receiving our amendments, or you are closed to it.

Your decision is a closed one. WIth all due respect, I find there is a certain lack of logic in your decision of a few days ago and your decision to take away 25 amendments as well as the possibility of debating them. Either you are open or you are closed.

There are 25 amendments missing. I would remind you that we are being deprived of a stage of debate, that is to say we are combining report and second reading stages. This is undemocratic.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I too am a permanent member of the standing committee. Very briefly I want to share with you how frustrating I find it now. If I understood you correctly, Mr. Speaker, you have more or less said that we now need to go back to the standing committee if we are going to challenge the rules by which amendments can be put, and to make those changes a recommendation should come from the standing committee.

The very point the right hon. member for Calgary Centre was making is that we have now heard four opposition members from four different parties say that the process at that standing committee is not satisfactory and it is not possible for us to achieve satisfaction, Nor is it possible for us to come together as a committee with even enough consensus to come forward to the House with—

● (1115)

The Speaker: The hon. member has completely misunderstood me. I suggested that the members go to the procedure and House affairs committee if they want to get changes in the rules. There is no mechanism for taking this back to the standing committee that considered the bill. I was not suggesting that, and I would not want to confuse the hon. member in that regard.

Mr. Pat Martin: Mr. Speaker, that gives me some comfort but it does not change the original point that the right hon. member for Calgary Centre raised.

There was an arbitrary fashion with which amendments put at the report stage were dealt with. The frustration we had as members of the standing committee was because the decorum of the committee descended in such a way that even vulgar language was used at that committee which was offensive to some of us. I know the member for Saint-Hyacinthe—Bagot is particularly aggrieved in this fashion that his mother was insulted. He found it offensive that—

The Speaker: With all respect, we have been over this before. There have been points of order raised in respect of these matters.

[*Translation*]

The hon. member for Saint-Hyacinthe—Bagot already raised this issue. It is not necessary to continue discussing this issue. The question now is on the admissibility of the motion. I have already ruled on the matter. I feel we must carry on.

The hon. member for Miramichi also has a point of order. I hope it is not more arguments on this issue.

[*English*]

Mr. Charles Hubbard (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as parliamentarians we all come to this House to do parliamentary business. We have to be very careful that we do not show a flagrant disrespect of the House and of the Speaker's rulings and proceed in the manner that has been outlined here by the member for Calgary Centre.

For the record, the committee received the bill last fall. It spent hours on the bill. It spent in fact the longest time of any bill that ever was processed before the House. The party that the member represents failed to come to any of those committee meetings, except for the last two or three when he also tried to obstruct that committee. It is very—

The Speaker: Order. The hon. member for Miramichi I know is trying to be helpful, but the difficulty is we are into a debate here that in my view ought not to be a debate. I am proposing that we move on to the next motion.

On a question of privilege, the right hon. member for Calgary centre.

Right Hon. Joe Clark: Mr. Speaker, I am raising a question of privilege on behalf of my colleague, the member of Parliament for Dauphin—Swan River, whose absence from committee for several weeks has been referred to, I think quite inappropriately, by the Liberal parliamentary secretary. I want to make the point, with great regret, that the hon. member for Dauphin—Swan River has been ill.

The Speaker: Order. The right hon. member on his own admission has said that he is raising a question of privilege on behalf of somebody else. It is clear that we are into a debate here. I interrupted the hon. member for Miramichi because I thought that while trying to be helpful it was not helpful and the right hon. member, I am afraid, is in the same boat.

I do not believe there is a question of privilege here. These are matters of debate, and I think we should move on to the next item on the agenda today, which I am prepared to do.

Right Hon. Joe Clark: Mr. Speaker, the House has a very real dilemma here. You have indicated that the rules must be respected and cannot be changed. We have indicated, and all the evidence is undeniable in committee, that the normal practices of this Parliament were not respected. They were flagrantly violated.

The issue that is of most concern with respect to amendments was a motion which the chair himself in that committee ruled out of order. He was then challenged by the government majority who overturned his ruling. Instead of resigning, he continued to proceed in what can only be described Sir, as a disorderly fashion, as the motion I have submitted suggests.

The practice has changed, putting members of Parliament who are obliged to make their case—

● (1120)

The Speaker: This issue has been dealt with in the House before on appeals to the Speaker and rulings have been made on these matters.

I know the right hon. member would love to have a debate on this, but he cannot do it with the motion he has proposed today. He can do it by proposing some other motion that involves some amendments to the rules or a reference to the procedure and House affairs committee of the issues or whatever, but he cannot do it by the motion he has proposed today. It is out of order.

The hon. member knows that rulings on these matters are given in the regular course. The Chair of this House does not control committee proceedings. The committee is master of its own proceedings.

If the member wishes to change the rules in respect of how committees operate and specify rules and abolish appeals of chairmen's rulings, he can propose those kinds of motions in the House and get a debate on them. He cannot get a debate by proposing a motion that in effect proposes a debate on a ruling of the Chair which the standing orders say is not allowed. It is quite clear. Everything the member is saying is in effect debating this matter.

Before proceeding with the next matter, I will hear the right hon. member for Calgary Centre for about two minutes and that will be it. I want something that is relevant.

Right Hon. Joe Clark: Mr. Speaker, you have suggested that there is some other remedy which we could follow which will allow us to deal with the breach in parliamentary practice that has brought to this House from a disorderly committee a bill that we cannot deal with effectively here.

Sir, what option is open to us that will allow us to deal with the bill? Sir, do not speak to us about changes in the rules that will relate to some other bill. We have a very serious matter here, a matter that is not only unjust, but a matter which could lead to disorder in the streets of the country. It is precisely because it has been handled in such an undemocratic fashion that there needs to be a response by the protector of democracy here in the House of Commons.

There was no one whispering in my ear today before I rose that the motion would be deemed unacceptable by the Chair. If we cannot proceed in this way to deal with this urgent matter that the House is dealing with, how are we to proceed? What is Parliament to do?

The Speaker: The usual procedure, as the right hon. member is well aware, is to debate the matter. We have, as I indicated, a number of amendments. Some 60 have been selected for debate and are available for debate in this House on the bill.

There is a further opportunity at third reading to move amendments, as the right hon. member is well aware, to refer the bill back to committee with instructions to amend. There are plenty of opportunities for him to move amendments at a later stage on this matter and have those considered by the House. It may not be the most convenient or the most sensible way, but it is possible and the right hon. member knows this. He does not need lessons from the Chair in that respect. He has been here a good deal longer than the Speaker and is fully aware that these kinds of debates take place in the House.

What he cannot do is propose a motion that is out of order and expect an immediate debate on that. What I have suggested are other ways that he could have the matter raised. He could attend the next meeting called of the Standing Committee on Procedure and House Affairs and ask if the committee would please consider some changes to the rules.

With great respect, I think he knows that however he may view decisions that are made by the committee and by the Chair in respect of interpretation of the rules of the House, in terms of the admissibility of amendments and in terms of what happens in committees when rulings of the chairmen of committees are appealed and overturned, it is a matter of numbers. The vote took place, the decision was overturned and so on.

Right Hon. Joe Clark: What about justice? Is the Speaker not interested in justice?

The Speaker: The right hon. member raised this matter and the Chair has given a ruling on it. There are various ways of fixing injustice and that would be things like changing the rules to prevent appeals of chairmen's rulings. The House has not done that. It did not do that. It did it in respect of the Speaker and it said that debates on Speaker's rulings are not permitted. Accordingly, the debate is not permitted.

Routine Proceedings

● (1125)

COMMITTEES OF THE HOUSE

FINANCE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I move that the third report of the Standing Committee on Finance presented on Thursday, March 27, 2003 be concurred in.

I would like to take the opportunity to debate this motion. I will not comment on the proceedings that have taken place in the last few minutes, but I have been in the House even longer than the member for Calgary Centre, and I find this to be a very interesting debate.

I will not take very long in the House today but I invite other members to respond to the motion for concurrence in the report of the finance committee regarding bank mergers, which was tabled in the House on March 27.

I also did a minority report on that, Mr. Speaker, and I would recommend it to you in terms of the wise counsel that I think I am providing to the House. On March 31 I put on the agenda before the House a motion to concur in the finance committee report.

I know today we are talking a lot about the first nations' issues and problems. This is not exactly something that is not relevant to first nations in how we organize financial institutions in our country. As I look around the country, the time has come to have a serious debate in the House on the whole question of the future of banks and bank mergers and whether they should be allowed. They are very important institutions for the future of our country.

The finance committee did a study on the public interest impact of bank mergers in Canada.

I want to go back for a minute. I remember that announcement in January 1998 that four big banks wanted to merge: the Bank of Montreal, the Royal Bank, the CIBC and the Scotiabank. I remember the chairman of the Royal Bank, Mr. Cleghorn at the time, Mr. Barrett, the chairman of the Bank of Montreal, and others thought they had a fait accompli when they announced this great merger.

There were a number of us in our party, in the trade union movement, the Council of Canadians and some other progressive people who decided we wanted to fight the merger because it was not in the interest of the Canadian public. Notably absent of course were members of the Alliance.

Mr. Brian Fitzpatrick: David Orchard.

Hon. Lorne Nystrom: The member for Prince Albert is talking about his favourite constituent David Orchard . I understand the member for Prince Albert received a lot of political lessons years ago from Mr. David Orchard, but those are stories I will tell at another time. I know he is very close to Mr. Orchard and part of the movement to unite the so-called right in the country.

I am getting a bit distracted on this because the member for Prince Albert was not part of this great fight against bank mergers, even though the Alliance is supposed to be a great populace party that speaks for the ordinary people, but it was not there.

We had a national campaign and we fought against the mergers of these big banks. The member for Winnipeg Centre and the member for Churchill were part of that campaign. After eight or nine months, the minister of finance, who is now the private member for LaSalle —Émard, finally said, no, that these bank mergers were not in the public interest.

Since then, we have had some committee studies and committee reports. We had a study by the Senate banking committee and then of course the House of Commons committee report, which I am moving concurrence in today.

The interesting thing is one of the recommendations of the Senate banking committee was that there should not be a role for the Senate or the House of Commons when it came to looking at bank mergers. It wanted to take the House of Commons right out of making a comment on whether bank mergers should occur.

That is the audacity of people who are not elected. Maybe the Solicitor General across the way is hanging his head in shame about this. The audacity of people who are not elected, or accountable or democratic, to say that when there is a proposed bank merger, the House of Commons finance committee should not comment on that proposed merger.

I can see the Solicitor General across the way is shaking his head in shame about what the Senate said about this proposal. I hope the Solicitor General will get up and give us a few comments on why the House of Commons should have a major role to play when it comes to proposal for bank merger in Canada.

● (1130)

When I look at big banks, they do have special rights and special privileges. They operate under a charter of the House of Commons. They are held in a great deal of trust by the Canadian people. Therefore, when we look at a bank merger, it is very important that we look at a number of factors. One is access for all Canadians, regardless of where one lives.

In the previous bank merger campaign, I remember hopping on a small airplane with the member for Churchill and flying up to Lynn Lake, a community that had lost its last remaining bank. I remember sitting down with her and meeting the town council, members of the chamber of commerce and ordinary citizens. This was a community that had lost its last bank.

Access to the Canadian people is extremely important, yet we have a government majority across the way which is now going to facilitate the merger of banks in Canada. Of course the Alliance, on the other hand, would just do anything the banks want. I am very surprised the member for Prince Albert would agree, particularly since one of his best friends is David Orchard. That is one important point.

Another important point, and this is a factor that social democrats raise all the time, is the access of banking and equity capital for business. A social democratic party is a party that is very concerned about access to capital by small and medium sized business. We have heard many stories over the years of big banks pulling out of the market in terms of—

Mr. Brian Fitzpatrick: I rise on a point of order. There has been specific reference to me on two occasions here, and both are incorrect.

The first one is that David Orchard is one of my constituents. David Orchard lives in Borden, Saskatchewan. That is not in the Prince Albert constituency.

The second point is that David Orchard has been referred to as one of my best friends. I want to make it clear to my constituents back home that David Orchard is not one of my best friends.

The Acting Speaker (Mr. Bélair): The record stands corrected. The hon. member for Regina—Qu'Appelle.

Hon. Lorne Nystrom: Mr. Speaker, I may have to go back a long way before I can find a member of Parliament has had the House of Commons put on record that someone is not one of his good friends.

I know Mr. Orchard ran against the member for Prince Albert the last time around and perhaps that is why he is referring to it. That is very strange. He runs the risk of losing Mr. Orchard's vote the next time around if he happens to move into the new riding of Prince Albert.

I mentioned the importance of access to capital. I am surprised to hear a so-called free enterprise party such as the Alliance not being concerned about the big banks and how they sometimes pull back on providing capital to small business. I have seen many cases over the years where banks have withdrawn from the market of providing adequate small business equity financing to small businesses.

One thing that has happened many times is the credit union movement has moved into that void and provided capital for small businesses. That is another concern I have. That is why we should have a full fledged debate in this country about capital.

The other thing I have noticed about small business capital is that there are more and more first nations people who are interested in small and medium sized businesses. I think of my province of Saskatchewan and some of the small business activity by first nations people. They need access to capital as well. I think this really ties into the debate on Bill C-7, where first nations people really want to run their own affairs. They want respect to determine what kinds of institutions they want to govern themselves. They want to ensure that more of their people get training and skills and get professions where they can develop their own communities and people. They want to give their own people jobs that are well paid. They want their people to be entrepreneurs, professionals, teachers and social workers.

One way of doing that is to ensure we have more capital from banks for first nations people, for community development, for their own cooperatives and small businesses. I think for example of the First Nations Bank of Canada that is based in Saskatoon and some of the work it is doing.

An area we have to look at when we talk about bank mergers is the access to capital, if there is a big merger among two or three big banks for small business, for first nations and for farmers across Canada? These are some of the very important things about which we should talk.

I was reminded of this just a minute ago when the member for Churchill talked about access to reasonably priced services by banks. She mentioned that these services should be reasonably priced. She was talking about going to an ABM machine and hearing people complaining about the high prices. We see this now in bank service charges.

I do not have my files with me today. If the House wished to extend the time I am allowed to speak, I could go on for a couple of hours and tell members about the horror stories I have heard about ordinary citizens who have been charged time and time again by banks for service charges. These are ordinary citizens who cannot afford this kind of hidden taxation.

There should be a certain number of transactions that any citizen can have, be it 20 or 30 or how many per month, without charge. Then low income people and people with modest incomes would not be penalized when they have to use a bank a couple of times a week.

An hon. member: Surely the banks deserve to make a profit though.

Hon. Lorne Nystrom: We have concern about banks making a profit. If we look over the spreadsheets of banks, banks do extremely well.

It is interesting that a lot more of their profit now is coming from bank service charges than in the past. It is important that we have the access to services at a reasonable price. I think of many communities that have this problem.

I think of the branches that have closed. Branches tend to close in rural communities and the inner city. They tend to be in places where people have to drive a lot further to get services after a bank closes.

I think of my own riding, for example, where bank branches have closed. The credit union has taken over these bank branches now and provides those services. These are factors that should be considered. I am talking about access to banking in all regions.

● (1135)

I am talking about banks and I happen to see one of my favourite bankers walk in, a former vice-president of Yorkton Securities who is an MP from Nova Scotia. I know he too is concerned about the access to banking in all regions of this country.

What about access to banking? If someone is living in a small town or village and their branch closes, all they have if they are lucky, is an ATM machine in the corner cafe or grocery store. These are issues we should be talking about. Yet a Senate committee report said that the House of Commons should not have a role in terms of commenting on bank mergers in Canada.

One of the things that has been talked about is the size of Canadian banks in terms of the international community. Will our banks be internationally competitive? In general our banks have done very well internationally. One example is Scotiabank whose chair, Mr. Peter Godsoe, back in 1998-99 was one of the leaders in the argument against the mergers of the other banks. His bank has done very well in the United States and other parts of the world.

It is important that we keep our banks competitive internationally, but we do not have to have the merger of our banks domestically to make sure they are more competitive internationally. As Mr. Peters, a former member of Parliament for the Liberal Party said, there is nothing that says our banks cannot form a joint venture internationally or form a consortium of Canadian banks internationally to be bigger and to compete with Chase Manhattan, ING Direct, or the City Bank in New York.

Those are things that our Canadian banks could do to compete internationally. We have very competitive banks internationally. It also provides great opportunities for Canadians in terms of jobs and other opportunities.

I want to mention a word here about the role of the Competition Bureau and the Office of the Superintendent of Financial Institutions. Both of these institutions have a very important role to play. When a bank merger is proposed in Canada, which happened in 1998, it has to go through a process at the House of Commons finance committee. It has to go through the process at the Competition Bureau, the Office of the Superintendent of Financial Institutions and then of course have approval by the Minister of Finance.

It is still very important to make sure that the Competition Bureau has a thorough review of whether or not it will be good for the Canadian people in terms of competition.

The Office of the Superintendent of Financial Institutions must continue to have a thorough review in terms of whether or not it is a reasonable proposition for the Canadian people. In addition, the Parliament of Canada, the finance committee, has a very important role. The role of a parliamentary committee is crucial.

We have just gone through a debate on a point of order about whether or not there was adequate opportunity for members of the House to present amendments at the Indian and northern affairs committee. I want to have the same full-blown opportunity for the finance committee to study very thoroughly any proposed merger.

We need serious parliamentary reform where parliamentary committees have much more independence. It is ironic that we can choose the Speaker of the House freely, independently and secretly in a ballot, but we cannot have the free choice secretly of a committee chair. We need those kinds of rule changes where we have more independence on our committees, where a committee can timetable legislation or can introduce legislation to the House of Commons and where there is less interference from the government, from the cabinet and from the Privy Council Office. That is the kind of reform needed in terms of our parliamentary system.

If we had those reforms or a greater independence of committees, a greater research capacity for a committee in the House a Commons, then the committees could play a very lead role in terms of studying a proposed bank merger. It should be the parliamentary committee that looks at a number of issues to determine whether or not a proposed merger is in the public interest, because we are all elected to represent our constituents.

Going back to the member for Churchill, she was raising questions in the House about Lynn Lake when it lost its bank. That is the role of a member of Parliament. We need a parliamentary committee with greater independence that would sever the direct link from the government, from the Privy Council Office.

● (1140)

I fail to understand why the Liberal government is being so conservative, so reactionary, so cautious. Such a party is status quo when it comes to parliamentary reform.

I was pleased to note yesterday in the inaugural speech of the new premier of Quebec, Jean Charest, that he has proposed a system of partial proportional representation in the province of Quebec. That is a really serious electoral change in terms of electoral reform.

Along with that electoral change which I predict will happen in British Columbia and Prince Edward Island, hopefully Ontario and soon right across the country, that electoral change will eventually happen here. Along with that electoral change we have to reform Parliament. Parliament has to change and reform as well to make this institution more meaningful for the Canadian people.

Canadians spend tens of millions of dollars a year on this institution. They want an institution with committees that represent the public interest. One area representing the public interest is deciding whether or not the huge financial institutions that are involved in everyone's life, the banks, have a right to merge. It is extremely important that we do that.

I read in *Quorum* today about a parallel Liberal caucus. The minister across the way from Montreal, the minister of immigration, apparently was at the parallel Liberal caucus last Tuesday night at a restaurant in Ottawa's Chinatown. Apparently there were more members at that caucus than there were at the so-called official Liberal caucus that meets here on Wednesday mornings.

It is absolutely incredible how irrelevant Liberal members of Parliament see their own caucus. In *Quorum* there are quotes from Liberal members of Parliament which say that it is a waste of time to go to their national caucus. What an admission for government members to say that it is a waste of time to go to their own caucus. They are spending the taxpayers' money, blowing the taxpayers' money. It is amazing that they would not want to be in favour of parliamentary reform. One area of parliamentary reform is the study of important public policy issues such as whether or not banks in this country should be merged.

There is a role for parliamentary reform in this country. There is a role for the finance committee in determining whether or not bank mergers should go ahead.

I made a reference a few minutes ago to Dr. Doug Peters, a former Liberal member of Parliament who is the vice-president of a bank. He sat in the Liberal cabinet in 1993 and 1997. As I said, he was a former chief economist and the vice-president of a bank. The bank happened to be the Toronto-Dominion Bank.

I know that Dr. Peters is very frustrated with some of the economic policies of the government across the way. When he appeared before the finance committee, he raised a number of questions which I think the finance committee should consider when it comes to the merger of big banks.

Among those questions were whether or not the merger of banks would lower the cost of banking services to individual Canadians. One, if banks merged, would it lower banking service costs for individual Canadians? Is the answer yes or no? The answer was no according to Dr. Peters. Two, would the merger of banks improve the level and quality of service that Canadians receive from banks? The answer again was no. Three, with the merger of banks in this country would it increase the choices of the Canadian people for banking services? If there are fewer banks does it increase choices? It is a very important question. The answer again was no.

These are Dr. Peters' questions, the former minister of financial institutions in the Liberal government across the way, a former Liberal member of Parliament.

Four, he asked whether or not it would improve the availability of credit and lower the costs of credit for small and medium size businesses in Canada. Again, the answer was no. Five, would the merger of banks lower the cost of credit to Canada's large business community? The answer was no.

I have two more questions by Dr. Peters who is a very distinguished Liberal, a former member of cabinet, a privy councillor. Six, would it increase the profitability of Canadian banks for international operations? Again, the answer was no. Finally, would it improve the Canadian economy by increasing employment and economic growth? Again the answer was no.

Mr. Speaker, if I have run out of time, I would like to ask for unanimous consent to continue for another hour or two.

● (1145)

The Acting Speaker (Mr. Bélair): Indeed, you have a very indulgent Chair this morning. Questions and comments, the hon. member for Durham.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, the member went on at great length about the relevancy of this institution and so forth, but at times when I was listening to his speech I could not quite understand that he was talking about bank mergers and the reform of Parliament. I guess that is why people in this country get concerned about their legislators. They are not sure what we are talking about as we do not stay on the topic very long.

There is one thing I would like to ask the member on the whole issue of bank mergers. There was a recent statement by the chief executive officer, I believe it is of the Royal Bank, Mr. Gordon Nixon. He was talking about the fact that the Royal Bank, our largest financial institution by a long shot, feels that there has been a weakening in its competitive position in the sense that it is unable to finance corporate mergers because often these corporate mergers unfortunately come from the United States. For instance, I think MacMillan Bloedel is a company that was bought over by Weyerhaeuser.

When those kinds of mergers occur, companies often look to the financial institutions to provide institutional financing to make the merger work. Because of the sheer size of the Royal Bank relative to some of its American competitors, such as Citicorp and others, it is unable to compete in these mergers and acquisitions.

I know possibly the position of the member's party is it does not like mergers of any kind, but I would like to know what the stand of the member's party is on the fact that our Canadian banks are continuously becoming uncompetitive internationally. Their arms are tied behind their backs in their ability to finance these new acquisitions that are coming up.

Hon. Lorne Nystrom: Mr. Speaker, the question was about whether or not our banks are competitive internationally. Once again I would refer to Dr. Peters who was the former minister of financial institutions. I think his comments were that our banks are very competitive internationally.

If we look at all the evidence that has come before the committee, we will see that our banks do not have any problem when it comes to competition internationally. Our banks are large nationally and are still a good size internationally. There is no reason that they cannot form a joint venture, a consortium for international competition that would put them up there in the size of the larger banks around the world. I do not think many contracts have been lost because they are not big enough to finance them.

The member mentioned the takeover of MacMillan Bloedel by Weyerhaeuser. There have been many other big mergers in the country and Canadian banks are capable of doing that. Sometimes one bank by itself does not finance a larger financial project, but sometimes two or three banks will go together to help finance a large project in this country. I do not think there is any real problem with that.

I am not concerned at this stage about international competition because our banks instead can form a joint venture, a national consortium, and therefore be big and very competitive.

The question we have to answer is whether or not a bank merger is good for a small community in the Annapolis Valley in Nova Scotia. Is a bank merger good for a small community in central Ontario? Is a bank merger good for a small community such as Wynyard in my riding in Saskatchewan? Those are the questions we have to answer as parliamentarians. The last time around we said no very decisively. In the end the former minister of finance, the member for LaSalle—Émard, also said no.

● (1150)

[*Translation*]

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I would like to thank my colleague from the New Democratic Party for his comments on bank mergers. He has just asked a question about whether this kind of bank merger is good for his constituents? Is it good for consumers?

I know that he mentioned it in his speech, but I would like him to briefly repeat the highlights.

Hon. Lorne Nystrom: Mr. Speaker, there are many very important issues in considering mergers of the big Canadian banks. Is a merger of the big Canadian bank important to Canadians across the country? Is a merger good for the farmer from Saskatchewan? Will this merger be good for small businesses or the average citizen in Quebec? Will it be good for first nations people living on a reserve in Manitoba where there is a high poverty rate? Will a merger proposed by the big banks be good for all Canadians? This is a very important question.

There is another important question. Will the merger be good for small businesses? I know full well that there are many small businesses in our country that have a problem with the big Canadian banks. This is another important issue to address.

I am also thinking about services across Canada. I come from a riding that is half rural and half urban. There are many small towns and villages in my riding. Sometimes small towns and villages do not get good services.

I remember—I talked about this 15 minutes ago—a trip I took with the member for Churchill to Lynn Lake, Manitoba. The people there have lost their only bank. Lynn Lake is approximately 75 to 100 kilometres from the next town in Manitoba. That is a long distance for many people in Lynn Lake. I am thinking about seniors who have to take the bus. These are very important issues.

The role of a backbencher is to ask these types of questions. That is why the Standing Committee on Finance is very important. I was surprised by the Senate of Canada's recommendation. It is not up to the Senate to determine whether a bank merger is good or bad for the Canadian economy.

● (1155)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the member for Regina—Qu'Appelle for the work he has done on this issue since 1998. I note that he was the only member of Parliament who launched a national campaign to alert Canadians to the fact that the banks were planning national, large scale mergers of the few charter banks, and to make them aware and seek input from them as to how they felt about it and if they actually wanted the mergers to take place.

Would the member share with me the view that it is a contradiction for the banks to say that they will be able to provide better service and access to Canadians with fewer outlets in the communities? Does he not see that as an inherent contradiction, that by having fewer outlets they will provide better access? I note that a great deal of the report of the finance committee was about access. Could he comment on that?

Hon. Lorne Nystrom: Mr. Speaker, access is a very important question. As we study bank mergers across the country we often find that where bank branches have been closed it has often been in some of the poorer areas of the country, like inner cities. I think there are even fewer bank branches in the inner city of Regina and in Winnipeg. There are probably fewer bank branches in the inner city of Winnipeg than there are in the suburbs in terms of access for the people.

Because fewer people have cars in the inner cities they rely on public transportation or on walking to get to a bank. The question of access then becomes very important.

The other part of course is rural Canada. Often banks will close branches in rural Canada. This is where the credit union will often come in. A while ago in Saskatchewan and Manitoba a number of the branches of the Bank of Montreal were closed. However, to the credit of the Bank of Montreal, it negotiated an arrangement with the credit union where it took over a former Bank of Montreal branch and continued to provide service to people in the communities.

The other thing is that when a bank branch closes there is often less competition. The town may have had two banks but it is now down to one. This puts less pressure on the lending officers to lend money for a mortgage, for a small business loan or a personal loan, or provide the basic services to ordinary Canadians.

Those are the reasons that it is important for the finance committee of the House of Commons to maintain its role and to study whether bank mergers should proceed.

My prediction is that after the election of the member for LaSalle—Émard as the leader of the Liberal Party and the Prime Minister of the country, if he survives the next election campaign, once again mergers will be proposed and he will try to give the flashing green light to those mergers. I need these checks and balances on behalf of the ordinary people of Canada.

[*Translation*]

I see that the hon. member for Saint-Hyacinthe—Bagot wants to ask a question. I am going to stop here so that he can ask it.

The Acting Speaker (Mr. Bélair): Unfortunately, the time has run out.

[*English*]

Hon. Lorne Nystrom: Mr. Speaker, on a point of order. I wonder if I could have unanimous consent to extend my time for a few minutes?

The Acting Speaker (Mr. Bélair): Is there unanimous consent?

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Bélair): The hon. member for Saint-Hyacinthe—Bagot.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I thank the hon. member for Regina—Qu'Appelle for this opportunity to make comments and to ask him a question on the important issue of bank mergers, as this is not the first time this issue has been debated.

We had this discussion five years ago, if my memory serves me well. It was extremely controversial then, and it still is today. The difference between now and five years ago, however, is that the Bloc Quebecois had met with representatives from all the financial institutions and banks directly or indirectly involved in the mergers and had asked them for guarantees, in order to save jobs. We got guarantees that not only would jobs be maintained, but that employment opportunities would be increased and that client services would be maintained, particularly in regions like south-central Montreal where not a single bank branch remains—for example, in the Hochelaga—Maisonneuve riding, the last bank closed its doors two years ago—, and also in rural regions, such as the riding of my hon. colleague from Regina—Qu'Appelle. We received all these guarantees.

So, why are these institutions now being given a blank cheque without having to provide any guarantees? I am asking my hon. colleague from Regina—Qu'Appelle: would it not be appropriate, in the context of this debate, to do again what the Bloc Quebecois did five years ago, and first seek out firm and written guarantees from financial institutions stipulating not only that the jobs would be maintained, but that jobs could be created as a result of these mergers; second, that all the services would be maintained, particularly in the rural regions; and third, that consumers would enjoy lower interest rates, as a result of mergers, since there would be economies of scale.

We sought out such guarantees, and this reassured us about the mergers. I think that we are now in a position to ask for such guarantees.

● (1200)

Hon. Lorne Nystrom: Mr. Speaker, I agree with the hon. member for Saint-Hyacinthe—Bagot. He has referred to the importance of a written guarantee from the Canadian banks. That would be a good idea. I am pleased that the Bloc Quebecois did this some years ago.

He has spoken of three things, jobs being one of them. It is important for Canadians to have jobs, and it is important that they have a guarantee of jobs. If two or three major banks in Canada merge, it is virtually certain that some people will be laid off. I have often seen this happen in Canada when major companies, regardless of sector, are merged.

We must not lose sight of the fact that the big banks hold a very special position in Canada. In fact, they hold charters from the Parliament of Canada which involve certain obligations to the public. This makes the major banks very special indeed, and is why we should follow the very wise advice of the hon. member for Saint-Hyacinthe—Bagot about having a guarantee in writing from the Canadian banks before the merger.

Another important point concerns services. I have often spoken of the services offered by the major Canadian banks. I come from a little place in Saskatchewan called Wynyard. It has a population of only 2,500. Now we have the good fortune to have two or three banks, one of these a credit union, the equivalent of the Caisse populaire in Quebec. There are choices and I want a guarantee that those choices will remain in future.

There are five major banks in Canada at present. These are: CIBC, Royal Bank, Bank of Montreal, Bank of Nova Scotia, and National Bank. The latter started out in Quebec, but we have a major branch in Regina.

If there were a proposal to merge the big Canadian banks, it would be essential to have a guarantee of services in all regions of Canada. We have had a lot to say about the importance for the first nations, the aboriginal groups of our country, to have access to capital. It is also very important to that segment of our population.

The third point is interest rates. At the present time there is a big difference between interest rates in Canada and those in the United States. It is good for Canadian banks to have a higher interest rate than the Americans, because they will make large profits. At the present time, and historically, the difference between our two countries is very great.

I agree with the hon. member for Saint-Hyacinthe—Bagot. It is a good thing to have promises, commitments in writing, from financial institutions.

[*English*]

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, it was surprising to have the NDP put forth this issue today. I imagine there was more than one reason to start talking about bank mergers and I guess we will find that out as the day goes by.

It is very easy to stand here, as the NDP does in so many cases, and tell everyone that the sky is about to fall if those big, bad banks have a merger. There are a couple of points he made with which I really must take issue.

The banks, operating under the charter, of course have an obligation to the population of Canada, like the hon. member said. They also have an obligation to the Canadian economy, and it is absolutely critical that our banks remain as strong as they possibly can to support our economy.

Over the last number of years, because of mergers around the world, our Canadian banks have lost their standings from an asset base and the ability to take advantage of opportunities in the global market. While other banks around the world have grown in size through mergers and acquisitions, our banks have not had that opportunity. They are getting left behind and have been unable to participate in financing opportunities in the global marketplace. That has a direct bearing on the ability of banks to solidify and increase their strength right here in Canada. It is a trickle-down effect which is certainly a reality.

The member talked about the difference between interest rates here and in the U.S. That is true, our rates are somewhat higher, but the interest rates are at the lowest point they have been in many years. Many Canadians are taking advantage of the low mortgage rates, for example, that are offered by our banks. They are able to buy houses a lot easier than they could before. They are able to buy other consumer products, large ticket items like cars and recreational items like boats.

The banks were here and made presentations before the committee. They made commitments. Where does the member want to go with this? The banks are waiting for a response from the government which will be forthcoming. They have said they are ready to do whatever it takes to facilitate these mergers.

● (1205)

Hon. Lorne Nystrom: Mr. Speaker, the comments made by the member from British Columbia are very relevant. I know from his comments in committee and our private conversations that he is concerned that sometimes our party is a little too negative in terms of big banks and big business in Canada. However he knows very well, being a western Canadian, the record of western Canadian social democrats in terms of the business community.

We just saw two days ago, for example, the re-election of the Gary Doer government in Manitoba. It was extremely popular because it had a reasonable position, not just with workers, farmers, senior citizens and health care and so on, but a reasonable position in dealing with the business community. That certainly has been the legacy of the NDP government in Saskatchewan, going back to 1944 with Tommy Douglas, on through Roy Romanow, and now to Lorne Calvert. I think we have been positive and helpful in terms of big bank mergers.

We can go back to the real test in 1998-99. I was really puzzled by the deafening silence of the Reform Party in those days regarding its concern about big bank mergers. We were positive in terms of our approach. We suggested these were not good things for the small business community in terms of access to capital and we were proven right.

We were also proven right that the mergers proposed at that time would not be a good thing in terms of service to individual communities right across the country. I talked to many citizens around the country. Public opinion polls that were taken bore us right, that bank mergers were not in the best interests of Canada. That is why this study took place.

I do not think we are being negative. There is a party that is quite negative in the House of Commons, the Alliance Party, which complains about almost everything that happens in this country; that Canada is falling apart and that this country is going to hell in a handbasket. I criticized the Liberal government, but we are still a pretty decent country here. The opposition should be more positive in what we propose, so that is what I am doing today.

I am proposing that we concur in this report of the finance committee. Mr. Speaker, I know you are anxious to say a few words yourself, but we should concur in this report and take a look at the minority report which we have tabled as an appendix to this and chart a course that is important. We have seen the dollar go down, the dollar go up—

● (1210)

The Deputy Speaker: Order, please. I want to reassure the hon. member for Regina—Qu'Appelle that the Chair has, in usual practice of course, nothing to say on this matter except to guide the deliberations. Resuming debate, the hon. member for London West.

[*Translation*]

Mr. Yvan Loubier: Mr. Speaker, I rise on a point of order. I respectfully submit that a few moments ago my hon. colleague asked for an unspecified amount of extra time. He had unanimous consent and thus we can continue to ask him questions and make comments on the subject of his speech.

That is how I understood it at the time.

The Deputy Speaker: If I understood correctly, the additional time allocated was 10 minutes. I was generous in timing those 10 minutes.

[*English*]

Right Hon. Joe Clark: Mr. Speaker, the only way we can resolve this is to look at the *Hansard* blues and listen to the tapes. There is no question about the recollection of members here that there was no time limit placed upon the right of the member for Regina—Qu'Appelle to respond. That ruling was made by the Chair. It is incumbent upon the Chair to respect that ruling and allow questions and comments to be made for as long as there are members who are interested in putting them.

Mr. Bryon Wilfert: Mr. Speaker, we consented to 20 minutes in total, 10 minutes for speaking and 10 minutes for questions and answers, not unlimited time.

[*Translation*]

The Deputy Speaker: The table officers have told me that the original request was for a few minutes.

Then, the chair occupant before me said that the time allocated would be 10 minutes. Thus, I thought that was what the hon. members had agreed to.

Once again, I was generous with that 10 minute period. Now, I have simply opened the debate; I looked at the government side so the parties could alternate and I gave the floor to the hon. member for London West.

[*English*]

Right Hon. Joe Clark: Mr. Speaker, of course the House is obliged to respect the ruling of the Chair, but I wish to serve notice that we will want to consult both the electronic and written record of *Hansard.*

If it were to turn out that the original ruling allowed unlimited debate and that it has now been reversed by your ruling, Mr. Speaker, which we are bound to accept, that would create a serious issue for the House. The House would then be required, once the words of your predecessor in the Chair were verified, to go back to the status quo ante, that is to say, to go back to where the member for Regina—Qu'Appelle had unlimited time to respond to questions and comments put to him by members.

I understand that the parliamentary secretary is talking about the intent of the government. We are talking about the words of the Speaker as we understood them, and the words of the Speaker must prevail, not the intent of the government or indeed any of us.

Mr. Richard Harris: Mr. Speaker, it was our understanding that it would be a 10 minute extension at the most. It is unrealistic to think that the House would allow the member for the NDP to have unlimited time on this subject. That party is using it as a delaying tactic for another bill it wants to postpone. We would never have given unanimous consent for unlimited speaking time. That is just not realistic.

● (1215)

Mrs. Bev Desjarlais: Mr. Speaker, as a member of the party that my colleague from the Alliance has just spoken about, I find it annoying, if not insulting, to suggest that we would deal with something as serious as bank mergers, that have affected our communities greatly, by misleading the House as to what we understood was a ruling by the Speaker.

My colleague from Regina—Qu'Appelle asked for unlimited time. Although I was sitting in the lobby when it was approved, I was of the impression that it was unlimited time. I was in the House when a member of the governing party said that if we wanted to request it again that consent would be given, and that is what took place.

Hon. Lorne Nystrom: Mr. Speaker, I have two points.

First, the member of the Alliance Party said I was doing this for some other reason. That is impugning motives which is against the rules of the House. My motives are to have to a full-fledged debate on the possibility of bank mergers in this country. I hope he would withdraw the allegation that he made.

Second, Mr. Speaker, I hope you follow the advice of the hon. member for Calgary Centre and check the blues. My understanding was that I was getting unlimited time, that the House thought this was a very important debate. It had nothing to do with the debate on Bill C-7 or whatever other issue the member from British Columbia was thinking of.

Mrs. Sue Barnes: Mr. Speaker, I was here for this and I heard that it was limited to 10 minutes. Most of my colleagues around here know that I would not say that if I did not believe that is what I heard. I am quite confident that *Hansard* will show these things. I was one of the members who consented to the elongation of time so that the member could take more questions. It is immaterial to me at this point because we all have something to offer here.

The Deputy Speaker: I take the suggestion from the right hon. member for Calgary Centre with a great deal of seriousness. The blues have been requested and will arrive momentarily. I ask for the House to be patient because the Chair is reluctant to continue the debate because some other element might be introduced. I cannot begin to speculate, but I would not want the matter to become any more complex than it already is.

We are all cognizant that the matter previously before the House, which the government had given some indication that it would become the business of the day, is a very important one. Albeit there are some very strong feelings on both sides of that debate, so I would want to proceed with caution. I ask members to please bear with the Chair momentarily.

● (1225)

Let me go over the sequence of events.

[*Translation*]

Before I occupied the chair, the hon. member for Drummond had spoken, followed by the hon. member for Regina—Qu'Appelle.

[*English*]

The hon. member for Regina—Qu'Appelle, according to the print of the blues that I have here before me, stated Mr. Speaker, on a point of order. I wonder if I could have unanimous consent to extend my time for a few minutes? The Acting Speaker said: Is there unanimous consent to table the motion? Some hon. members: Agreed. The Acting Speaker: Is it the pleasure of the House to adopt the motion? Agreed.

Before us we have a request from the hon. member for Regina—Qu'Appelle for unanimous consent to extend his time by a few minutes. Now it might be that someone on either side of the House might have said other things, but this is the record I have regarding the exchanges according to our *Hansard* blues.

Now, needless to say, the Chair feels that by allowing 10 minutes plus, to allow for one question from the hon. member Saint-Hyacinthe—Bagot, the response from the member for Regina—Qu'Appelle, subsequently a question from the hon. member for Prince George—Bulkley Valley and a final response from the member for Regina—Qu'Appelle, which would have taken in some approximately 10 to 11 minutes, would fit within the confines of a few minutes.

The Chair will continue the debate and give the floor to the hon. member for London West.

On a point of order, the right hon. member for Calgary Centre on a point of order.

Right Hon. Joe Clark: Mr. Speaker, I would like to move, seconded by the member for Churchill, that the member for Kings—Hants be now heard.

The Deputy Speaker: The matter raised by the right hon. member for Calgary Centre of course is one that occurs when two members rise at the same time seeking the floor and in fact the Chair recognizes one and then the appeal is made as the case is now.

However I am satisfied that when I originally asked to resume debate, that I had granted the floor to the hon. member for London West prior to the point of order raised regarding the question of how much time in was to be added, whether it was a few minutes or unlimited. The Chair feels it quite appropriate in giving the opportunity to the member for London West to make her intervention.

On a point of order, the right hon. member for Calgary Centre.

● (1230)

Right Hon. Joe Clark: Mr. Speaker, with the greatest regret and respect, the hon. member for London West had not begun speaking. There was an intervention raised by the member for Saint-Hyacinthe—Bagot immediately. The Chair recognized the member for Saint-Hyacinthe—Bagot. In my view there had not been a decision made by the Chair.

Again, I am bound to follow the ruling of the Chair but there is clearly a right in the House to move the motion of the kind that I did when a place has not been ceded to a particular member of Parliament. I would hope that there might at least be the opportunity for the House to be heard on that matter in the normal way.

The Deputy Speaker: Respectfully to the right hon. member for Calgary Centre, the Chair has made a ruling, the Chair stands by its ruling and the floor goes to the hon. member for London West.

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I would be very interested in hearing from my colleagues on the finance committee and other colleagues in the House on this issue.

Like others, I was a little surprised today to see that we would be dealing with this matter. As chair of the finance committee and as one of my duties in the House, I know very well that all members of the finance committee asked that the government respond to their report "Large Bank Mergers in Canada: Safeguarding the Public Interest for Canadians and Canadian Businesses". We tabled that in this chamber in early March and asked for a 90 day response from the government, which should be coming toward the end of June. We are awaiting that response at this point. Therefore, it is a bit unusual to move a motion for concurrence before the government has had a chance to respond.

It is quite a pleasure to talk to people in the House about the work of the committee on this issue. Many Canadians have not had the chance to hear from some of the hon. members, my colleagues. All parties did very good work on this study. All 18 of the members from the committee, from all five elected parties in the House, worked very hard and diligently throughout this many month process.

Not only did the members work hard but we were assisted by three parliamentary researchers and our clerks, both procedural and legislative. We posted all our testimony, which was done throughout the hearings for Canadians, on our finance committee website, as well as the report in a bilingual manner.

How did the report come into being? In October of 2002 the Minister of Finance and the Secretary of State for International Financial Institutions wrote to both the Senate Standing Committee on Banking, Trade and Commerce and the House of Commons Standing Committee on Finance asking for their views on the major considerations that should apply in determining the public interest with respect to large bank mergers. After we had done previous legislation in this area, some merger review guidelines were issued, applicable to proposed mergers of Canadian banks, those with more than $5 billion in equity.

Some stakeholders had suggested, apparently, that the public interest test needed greater clarity. There were four specific areas that the letter asked us to address: first, the access of Canadians in all regions to convenient and quality financial services, with special attention to the disabled, low income individuals and rural communities; second, the choice among financial service providers and the availability of financing for businesses, particularly for small businesses and Canadians in general; third, the creation of long term growth prospects for Canada through more effective Canadian based internationally competitive institutions; and fourth, any adjustment or transition issues, including the treatment of employees. These were pretty important areas for us to dialogue about.

When the letter was received, fortunately the committee was involved in our prebudget consultation process. Consequently, even though we chose our witnesses in early December, after tabling our prebudget report, we had one piece of legislation with which to deal.

Thus we started listening to witnesses and we heard a wide variety of witnesses. In fact we heard 46 individuals who represented 29 organizations by the time the committee concluded its hearings in early February. Also, we received briefs from an additional 21 groups or individuals. That testimony covered a range from one extreme to the other, and there are parties in the House that do represent one extreme to the other.

For me as chair, the pleasure at the end of the report is seeing the degree of consensus with four of the House parties. This is something not very common and certainly something that was achieved only by taking the time to discuss, throw out ideas and figure out what were the really important areas on which the committee should focus. In fact during the study of the merger guidelines and public interest, we came to conclude that OSFI and the competition bureau, which also had roles in this process, were very competent in these roles, in the committee's opinion, and that we should not tread into those areas that were already covered by these institutions.

● (1235)

Our 11 recommendations mainly focused on the gap between where these various bodies would make their report to the Minister of Finance.

The report was fully endorsed by the official opposition, the Canadian Alliance Party, and we worked very well together in committee to get to the interests of Canadians as opposed to the partisan interests of the parties, and I respect that.

The supplementary opinions were provided by the Bloc Quebecois and the Progressive Conservative Party. Again, I was very impressed how these members worked to get the agreement on the main body of the report with a couple of pages of supplementary on additional points that those two parties wished to push for discussion.

The party bringing this debate today is the New Democratic Party. It is the only party submitting the lone dissenting opinion, as is its right. It represents some people and a percentage of Canadians who hold a different view. That is fine in a democracy and that is fine to debate in a chamber of this nature where we are free to debate.

However four out of five parties in the House reaching a consensus on the main points of the body was important. If we had not taken the time, we would have potentially had more dissenting or supplementary reports.

We began our work with the premise that the reality of mergers by large Canadian banks, and I quote here, "are legitimate business strategies for growth and success". We examined not whether large bank mergers should or should not be allowed, but rather the public interest aspect and consideration that should exist with respect to mergers by large banks in Canada.

As my colleagues have stated, although most of the committee's recommendations focused on the issues of access and long term growth for Canada, the committee did make recommendations concerning the process itself.

I would like to state that members of the committee, as a whole, believe that regulation of the banking sector is both appropriate and necessary. However we did caution that it must be the correct level and type of regulation. As we developed recommendations, we were very mindful in our discussions of the need to avoid being overly prescriptive. That is why I believe in the end, as the recommendations were reached, we did not have numbers or percentages, but came to the conclusion that this might constrain the business plans of any banks, and who would know which institutions would choose to move forward together in their plans or their ideas. We wanted to provide guidance but without a micromanaging constraint.

We highlighted those areas of concern, those areas that we thought the Canadian public and the engines of our growth, the small businesses in Canada, may be particularly concerned with, whether they were concerned from their own capital needs priority, or the needs of employees or the needs of the people accessing full service banking in their location. At the end of the day, when we made our recommendations, we did not add any new tests. We did not create a new stepladder. We came out saying that we wanted to allow flexibility and, as I say, ensure that the public interest was the theme.

Right now merger proposals by large Canadian banks continue to be subject to a three level review that currently exists. We know the Competition Bureau and the Office of the Superintendent of Financial Institutions are there to do their work. Their report at the end of the day goes to the finance minister. Right now the guidelines allow for both the Senate and the House to have a committee review, although In report that was tabled in the other place, the members of its committee decided that if their wishes were followed, they would not want to be part of a further review process.

● (1240)

The minister comes back on behalf of the government to tell us his choice for a process. After that, we know that information: whether the Senate will stay out of this process or whether it will step back into it. That will be quite interesting.

We were concerned that Canadians and Canadian businesses would have access to reasonably priced services in all regions of Canada, to a range of service providers offering a range of services, and to employment transition measures and high quality jobs. These are all very important areas that have to be addressed. If a bank wishes to merge, the reality of these issues will be there for consideration.

The committee in its recommendation said that a merger applicant should be able to provide at least an equivalent level and range of services to all Canadians before and after a merger. We put some caveats on this having regard to the effects of technological change and changing consumer requirements over the years.

However technology will not do it for full service banking for probably another decade. Therefore, although many of us use the technology, it is not accessible to everybody at this point in time and we are in a transition time.

We have to realize that sometimes the results of a competition analysis says that in any given merger there would have to be divestiture. Obviously the legal requirements that are needed have to be understood. Sometimes there will not be that complete equivalency if somebody has to divest part of their business operations.

We asked in our recommendation to be advised how the merger applicants would demonstrate to us the manner in which the merged entity would increase access to capital for such businesses, the small enterprises in this land. At the end of the day maybe their answer will be that they will not do that. That would then be part of the assessment for whoever was doing the assessment. What we asked for was not necessarily the guarantees but the information.

We believe that retail financial services at comparable or lower prices on balance in a transition period of perhaps up to three years should be available. We again tried not to be overly prescriptive but to signal this area of concern so that banks would know the areas of discomfort. Again, we are not micro-managing. We know in the past that the competition bureau has assessed some situations where services and the hours of operation have increased but in some situations individual prices rose. It is an on balance assessment.

We were concerned, as a committee, about rural and remote areas of the country. We received evidence that credit unions and medium sized financial institutions could fill the gaps, especially if a bank had closed the branch. The reality is that banks are closing branches throughout the country. I believe almost 1,000 bank branches have been closed in the last little while, and that is without a merger situation. Hon. members should remember that banks have the right to close branches as long as they follow the rules and give the appropriate notices.

However what we were asking for in our recommendation was that the merger applicants outline the manner in which the merged entity would ensure service to the rural and remote communities where they were providing financial services at the time of a merger application. Some people, the media in particular I might add, thought that meant guarantees. I am not sure if that was what the committee was looking toward. I think it was looking for information. For all the committee knows, in certain situations there could be a credit union, an ATM or a full service automatic situation coming in, or a part number of days of the week full service banking would be provided to an area.

It was a very dynamic situation inside the committee. We know there are domestic and foreign based medium sized banks anxious to grow in the country. We know some of the players have an interest in purchasing branches that might be divested as a result of a merger by large Canadian banks.

● (1245)

We also heard that they were still encountering barriers. Some of our recommendations, especially with respect to credit unions, addressed that where it was within the federal jurisdiction, because credit unions, for instance, are primarily a provincial regulation, we should remove the barriers that we could at this level.

There was also a belief that some of these growths or the emergence of credit unions or other international banks would become more prevalent with or without the merger process. A big concern was access or employment transition measures. It was a concern, not only to the members of the committee and members from all the parties, but also to many of our witnesses.

Since one of the usual consequences flowing from most merger and acquisition activities, regardless of the sector, is job loss, as job duplications are rationalized or eliminated, one of our recommendations was, to the greatest extent possible, that job losses should be minimized, that training, relocation and out-placement counselling should be provided, that employment reductions be accommodated mainly through attrition and early retirement incentives and, where it came down to an involuntary job loss, that compensation in such an event should be consistent with that provided by other financial service providers in similar circumstances.

For instance, we would not want to see the hollowing out of all those thousands of jobs even in downtown Toronto. I know there is sometimes no love for downtown Toronto but in reality there are thousands of employees affected, not only in the rural and remote areas, but also in our large urban centres, especially where the financial services sector is prevalent.

We must also be concerned that high quality jobs remain in the country. As a committee we discussed in our report that Canada's large banks must make every effort to ensure that employment growth occurs and that this growth involves a creation of jobs for Canadians with desirable compensation packages, and that they optimize their head office and executive activities and high quality employment opportunities in Canada. I must say that the committee members on the whole did not think this would be difficult for these entities to do.

The second part of the report very much talked about the long term growth for Canada. Comments were made about issues of international competitiveness, shareholder value and the health of the financial services sector. I think it should be stated and restated that Canada enjoys a healthy financial services sector, one that we know from the testimony of our large banks that they wish to grow by making inroads into international markets.

The committee made some comments about how a merger situation would benefit the domestic market at the same time as enhancing international competitiveness. This would be different depending on the merger applicants who came at the appropriate time and over time. It would be different if we were talking about a first merger or a second merger scenario. Who knows? I certainly do not. I do not have any special knowledge of what the future holds in this area. All I know is that we discussed in very great detail and very comprehensively those concerns of financial success by our financial services sector, if only for the benefit of all the shareholders, tens of thousands of Canadians who, through their pension plans or ownership of shares, want to ensure that the country's financial services are successful.

We were aided again by OSFI, the Competition Bureau, an oversight by the finance minister at the end of the day, who in the current guidelines would have to have the final decision in this situation.

● (1250)

I might add that when this report was prepared cross pillar mergers were not being talked about in the media. We were not asked to study it. The committee chose its witnesses for their expertise on the study that we were doing and on which we have confined our recommendations.

However that is not to say that at some future date people who have an interest in this may or may not do it. What I am saying is that this report does not deal with it and I know the report in the other place does not deal with it.

However I want to thank all members from all parties. It was a pleasure to be the chair and to have these members work so hard to do their work in a co-operative way. We do not always agree on every issue but we are respectful in the finance committee. As a chair, the level of consensus, four out of five parties agreeing to the main precincts of the report, is testimony to all our efforts cooperatively.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I would like to ask the member a question about the report on bank mergers. Over 10 million individual Canadians own shares in various banks across the whole country. I have heard a number of colleagues, although I do not sit on the committee, express concerns with the quality of this report.

If the committee members were so interested in individual Canadians, could the member tell us why this report does absolutely nothing to address the 10 million Canadian shareholders who own shares in the various Canadian banks?

Mrs. Sue Barnes: Mr. Speaker, I advise my colleague to read the report and maybe he will find his answers. The report does talk about shareholder value.

As he knows, one of the vice-chairs was, not supplemental, but in full concurrence with the body of the report. Perhaps he could have that discussion with his own colleague in his own party.

I also would like to say that 30 million people live in this country and not everyone owns a bank share.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I would like to ask the chairperson of the finance committee a question pertaining to the committee report since it touches on an issue that is very close to the people in my constituency of Winnipeg North Centre. My riding has been hit with 10 bank branch closures since 1995. In fact, a few short weeks ago my constituency received notice from the very last bank in the entire north end of Winnipeg that it was closing its doors on August 22. Needless to say, this has left an entire community high and dry without access to personalized financial banking services. This is an area with a high population of seniors. Many people live on subsistence level wages and in poverty. These people need to be able to walk to a bank or to access public transportation to get to a bank and they need personalized services.

It is absolutely clear that the banks have been busy closing branches as they set the stage for the government to allow for mergers.

This is an issue that is directly related to the finance committee's report and one that demands government response. The new provisions under the Bank Act, which are supposed to protect consumers, are meaningless. They are a toothless wonder. All they do is require banks to give four months notice. There is nothing that compels a bank to consult with the community.

The CIBC, which will be closing the last bank in Winnipeg's north end, did not consult with the community. It did not have the nerve, the gall, the will, the belief to actually pick up the phone, talk to local businesses, local agencies and resident associations to find out what the impact would be. It will simply pick up and leave town, leaving the community high and dry.

Someone has to stand up to this kind of unilateral arbitrary action. I would suggest that it is the Government of Canada that ought to call the banks to account and ought to require some investment in our communities after 100 years of loyalty. The CIBC has been in my community of Winnipeg for 100 years. The people in my community have been loyal customers of that bank. They have helped the bank achieve its level of profitability. What happens at the end of the day when the profits are not big enough for the bank? It simply pulls up, leaves town and forgets the community. That has to stop.

I would ask the member, the chairperson of the finance committee, how her report and her government's actions address that critical situation.

● (1255)

Mrs. Sue Barnes: Mr. Speaker, I would first like to welcome the member as the newest member of our finance committee. I am sure over time there will be great contributions from the member. At the same time I thank the outgoing member, who brought forward this motion today, for his work over the years on the finance committee.

In reality the member has answered her own question. Banks have the ability to close branches separate and apart from the merger situation. We were looking at those sections to make sure that we were not contravening the existing law as we came to make our recommendations. There are provisions for closures, as the member knows. I mentioned that in my own remarks.

The report was about the procedures, the situation and the public interest on a merger situation. There are laws in place. The member has outlined what is happening in the country. We said in the report that when we have mergers, we are concerned. That is why we have a recommendation specifically on that point saying that merger applicants outline the manner in which the merged entity would ensure service to rural and remote communities where they are providing financial services at the time of the merger application. It is legal for a bank at this point to do that. Whether it is in the best interest of the community is an issue with the bank.

I think it is part of our jobs as representatives in each of our communities to have those discussions. That has gone on. I have been involved in certain discussions when it has affected my community. I will continue to be involved when it is appropriate to make sure that Canadians get the services.

There is a concern in the government. I am not speaking on behalf of the government but I am speaking on behalf of the committee which showed that it had concern specifically for this interest.

● (1300)

Ms. Judy Wasylycia-Leis: Mr. Speaker, I appreciate the response of the chairperson of the finance committee. I realize that she cannot speak for the government and may feel that she in her own right is working the same way I am working, on behalf of constituents who have been disenfranchised from banking services.

However, it was that government that introduced changes to the Bank Act. It was that government that promised to address the concerns of consumers. Yet at every step of the way, the government has refused serious propositions, amendments and suggestions to make the Bank Act reflect those concerns and give it the teeth it needs to deal with this kind of arbitrary, unilateral action on the part of the big banks.

The big banks fall under the jurisdiction of the government. They have obligations that other institutions and corporations do not have. The government should have and does have the ability to call those banks to task. We believe it has that ability now. It would have been better if the Bank Act had some tougher aspects, if the financial consumer agency had some teeth to force the banks to consult with the public before closing a bank, even if it is the last bank in a community.

I would suggest that the government resisted those amendments. Now it refuses to stand up to the big banks to say that there must be some accountability and some reinvestment in the communities that have been loyal.

What are the member's intentions to ensure that the government takes those kinds of necessary steps, holds the banks to account and helps communities have reasonable access to personalized banking services?

Mrs. Sue Barnes: Mr. Speaker, there is a divergence of opinion in the country on what is reasonable. Over time that also will change as the demographics of the country change, as the needs of consumers change and as we get more technology.

We have to realize that the report talked about a merger process. The report was focused on what was the public impact, what was the public interest. We will leave it to those very competent agencies out there to protect the prudential issues, to make sure that we have safe banking. Thankfully we do not see banks in this country falling down and disappearing. We have very good quality banks and we want them in the communities. I understand the member's point.

I am looking forward, as are other members in the House, to the government's response to the report. I hope that we will get that in the 90-day period requested, which should come toward the end of June.

PRIVILEGE

STANDING COMMITTEE ON CANADIAN HERITAGE

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, what I am rising on today, with somewhat of a heavy heart, is a question of privilege on which I would ask you to rule.

After a two year review of the state of the Canadian broadcasting industry, the Standing Committee on Canadian Heritage has just finalized a report that will be presented to the House shortly. At the conclusion of our hearings, I determined that although I agreed with much of the report and certainly recognized the incredible efforts on behalf of the members of that committee, there were a few specific areas that I felt needed to be expanded upon.

Despite my efforts at committee to incorporate those perspectives within the report, I was not successful. Having spent a year and a half sitting at that table, I felt it was important that those views, which I have collected by way of witnesses and people who have met with me, be presented as part of the overall report. I therefore explored what other options were available to me.

I was informed that as a parliamentarian and a member of the committee, I was entitled to submit a supplementary opinion if I wished to do so. I did. I did so in such a way that I believe it was actually complementary to the committee report. It expanded on some of the issues.

From a timeline perspective, the committee determined that the last day to file the supplementary opinions was on May 12, 2003. Due to extenuating circumstances, two of the opposition parties informed the clerk that they were having challenges finishing their supplementary dissenting opinions by the May 12 deadline and asked if they could explore an extension of time. The clerk, as I understand it, then contacted the printing department, because timeliness is an issue here, to find out if there would be an opportunity to extend the time and not impact the production timelines of the report itself. It is my understanding that she was informed that May 16 would be an acceptable date.

The clerk then informed members of the committee that the date was going to be extended until May 16. Therefore, like my colleagues in the opposition, I worked under the timelines provided by the clerk of the committee. I met those timelines. My report is recognized by the clerk of the committee as being received on May 16 at approximately 10:45 a.m., not indifferent to the opposition reports.

The chair realized that the extension had been granted by the clerk without the authority of the committee and, after hearing that I was putting forward a supplementary opinion, recognized that the clerk did not have the authority to grant that extension without the consent or support of the committee and asked the opposition members to bring forward a notice of motion to extend, sort of retroactively if I may, the filing dates.

It is going to take me a couple of minutes and I apologize, but this is absolutely critical for Parliament. This hits on the very basic rights and privileges as a parliamentarian.

The chair then realized that the clerk did not have the authority and asked for a retroactive notice of motion to come from the opposition members to extend the date by four days. They did so. Sadly enough, I was notified, and in fairness to the chair due to challenges of him travelling and leaving messages on my cell phone, I was notified 24 hours before the committee was meeting, so clearly it would be difficult to give 48 hours notice.

I asked for unanimous consent to present my supplementary motion along with the two from the opposition and was not successful in securing that. I then notified the clerk in writing on Tuesday that it was my intention to bring forward a motion on Thursday, being this morning, asking that my report be included in the same way as the opposition members' reports were included. Sadly enough, although I cannot give details of an in camera meeting, obviously by virtue of the fact that I am here, I was not successful in securing the support.

● (1305)

The reason I ran for Parliament, the reason people have fought and died for this country, is so that we can express our opinions. Just because some people at committee failed to agree with those opinions, or think I am going beyond my purview as a member of the governing party or the Liberals, too bad.

Mr. Speaker, what I am asking you to do, not only on behalf of myself and the 300 other people who sit in the House, but on behalf of 30-odd million Canadians, is to protect my rights as a parliamentarian, give me the same rights as those people across the aisle have. To do otherwise, in my opinion, would be nothing more than putting a gag order on backbench Liberal members of Parliament.

Mr. Speaker, I ask for your timely and wise ruling on this issue. I certainly ask for your positive consideration. To do otherwise, would be, in my opinion, a slight on democracy.

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, my qualifications for rising on this point of order are that, first, along with my colleague who just spoke I am deputy chair of the committee; second, I am the chief opposition critic; and third, I was one of the people, along with a member from the Bloc Québécois, who put in a minority opinion.

First, we must clear up the issue of timing. The original agreement, as determined by the committee, was that I and my colleague from the Bloc Québécois were to submit minority reports on May 12. My colleague is correct in his account of what took place. We ended up having to extend the deadline to May 16 and indeed, on Tuesday of this week, we came forward and had a retroactive motion that the reports that were submitted on May 16 would qualify. That was agreed to by a full quorum of the committee.

At that particular time I can confirm that the member who just spoke had asked for unanimous consent to put his motion, which I understand was hobbled because of the communication problem. He then came to the committee today with an identical motion. But to be clear, the issue of the dates of May 12 to May 16 is actually irrelevant.

It is unusual of course for a member of the governing party, who has worked very hard along with the rest of us on this committee, to come forward with this report, and that a member of the governing party would want to put in a supplementary opinion to add to the report. On pages 882 and 883 Marleau and Montpetit states:

> A committee report reflects the opinion of the committee and not that of the individual members. Members of the committee who disagree with the decision of the majority may not present a separate report. There is no provision in the Standing Orders or the practices of the House for presenting minority reports. Where one or several members of a standing committee are in disagreement with the committee's report or wish to make supplementary comments, the committee may decide to append such opinions to the report, after the signature of the Chair. Dissenting or supplementary opinions may be presented by any member of a committee. Although committees have the power to append these opinions to their reports, they are not obliged to do so. In agreeing to append a dissenting or supplementary opinion, the committee will often specify the maximum length of the text, the deadline for submission to the clerk and whether it is to be submitted in one or both official languages.

With respect to the last sentence in that paragraph, "In agreeing to append a dissenting or supplementary opinion, the committee will often specify the maximum length of the text,..." the member of the Bloc and I both entered into discussions with the committee and the chair. I could be wrong but I believe it was not in camera. I believe it was an open committee, and that is verifiable through the minutes. We had a discussion that we would be putting in supplementary reports and we also had an actual negotiation as to how many pages each report would be.

● (1310)

In following the process that is set out in Marleau and Montpetit there is no obligation on the part of the committee to append an opinion. Members may choose to append an opinion depending on the decision of the committee. Because the vote this morning was in camera, obviously we can only report the fact that the committee, with full quorum, declined to append this member's dissenting opinion.

What has happened here is, if we refer to the phrase "after the signature of the Chair", that the committee has made a decision. Whether it is fair or unfair is for the public at large to decide and certainly for this member to make his case to the public. Nonetheless, the committee has made its decision and it is within its right to make that decision.

The Deputy Speaker: The Chair will listen very briefly, but I do not want to get into a debate. The hon. member for Simcoe—Grey.

● (1315)

Mr. Paul Bonwick: Mr. Speaker, under no circumstances am I debating the hon. member's position. In fact, I agree wholeheartedly with almost his entire remarks.

In my humble opinion, as a member of the House of Commons, a majority of members of a committee are the protectors of my rights. A majority of the members of a committee should not be able to restrict my access anymore so than they should be able to restrict theirs. Mr. Speaker, if you create one rule everybody must abide by it. You cannot be selective in saying that we will accept opposition reports, but we will not accept reports submitted by members of the governing party.

Mr. Speaker, you are the protector of my rights as a parliamentarian. You are the protector of my privileges, and not simply mine, but the hundred and twenty odd thousand people back in my riding, and for that matter, the 30 million Canadians in our country. I believe most of them would be insulted if I cannot be treated by the same rules and conditions as people across the floor.

The Deputy Speaker: I want to thank the hon. member for Simcoe—Grey for raising his point of order and for the participation of the hon. member for Kootenay—Columbia.

I believe the essence of the interventions bring us back to the fundamental principle regarding committees being masters of their own proceedings. Just to repeat some of the quotes brought forward by the hon. member for Kootenay—Columbia from Marleau and Montpetit on pages 882 and 883, under the title of "Committees" and the sub-heading "Substantive Reports", it states:

> Where one or several members of a standing committee are in disagreement with the committee's report or wish to make supplementary comments, the committee may decide to append such opinions to the report after the signature of the Chair. Dissenting or supplementary opinions may be presented by any member of a committee. Although committees have the power to append these opinions to their reports, they are not obliged to do so.

I take with great seriousness the matters raised by the hon. member for Simcoe—Grey. On the procedural side, our rules are clear with regard to the issue he raises. However, by appealing to the Chair to protect the rights of members, we must remind ourselves, as the hon. Speaker himself has reminded us from time to time, the Chair is the servant of the House and of its members.

As far as protecting those rights, they are enshrined in our rules, procedures, precedents, and so on. To expect the Chair to do anything else but to serve the House and its members within those precedents, rules, and regulations is asking for something that is very different from the customs of the House.

Consequently, I must rule that this is not a point of order and we will now proceed back to the business of the day.

Resuming debate, the hon. member for Prince George—Bulkley Valley.

* * *

[*English*]

COMMITTEES OF THE HOUSE

FINANCE

The House resumed consideration of the motion.

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, I would like to clear the air because there have been some anti-bank rants by the member for Winnipeg North Centre and other NDP members.

The issue of bank mergers and how to facilitate them, if at all, was given to the finance committee to discuss and come up with a set of recommendations. That mandate was very clear.

The finance committee did meet. We had extensive discussions with witnesses who appeared before us, including the heads of the major banks in this country. They explained their position as to why banks might want to merge in this country. They explained how their position in the global marketplace was shrinking insofar as financial institutions.

The banks clearly said to the committee that they wanted the committee to lay out a path for them, so that they could have the ability to present their proposals. Once they presented their proposals they would expect that the committee and the finance minister would look at them and tell them yes or no whether they could have a merger.

The finance committee came up with a number of recommendations that for the most part were what the banks were looking for. There was a dissenting opinion filed by the NDP. There was also a supplementary opinion filed by the member for Kings—Hants on behalf of the Progressive Conservative Party. However, overall there was a broad consensus that the committee had for the most part achieved its mandate in coming up with 11 recommendations for the Minister of Finance to respond to.

I have said in the House that we trusted the minister to respond within the time period. As a matter of fact, I have stated in the House that it would be far better for everyone concerned if the minister could respond sooner than the maximum of 90 days that was requested of him. I agree with the member for Kings—Hants who had asked for an earlier response as well. Another point the member for Kings—Hants made was to take politics out of this decision.

This is unlike 1998 when the issue of mergers first appeared and the decision to not even allow the banks to make merger proposals was made by the former finance minister, who at that time, in the view of most people who were looking at this issue, made a purely political decision in saying that there will be no bank merger proposals received by that finance minister and the Liberal government. That was a most disturbing way to respond to the banking community in our country, on purely political grounds.

It has been five years since that merger situation first appeared. The government has had a lot of time to respond to the whole issue of mergers. The finance committee has now presented 11 recommendations. We on this side of the House and in this party implore the finance minister to recognize the seriousness of this issue. We ask that he respond as quickly as possible and even before the 90 day period is up because it is a most important issue.

● (1320)

The banks have a number of recommendations. They understand what the committee said. They will ensure, to the best of their ability, that when they make their proposals, those proposals will respond in an acceptable manner to the recommendations put forward.

We do not know if a merger will be put forward, but if one does come forward, if it passes by the Competition Bureau and by the Office of the Superintendent of Financial Institutions and if it meets the criteria and the wishes expressed in the recommendations, I hope the Minister of Finance will look at its substance and its merits. If it meets the guidelines of the public interest, I hope he will put aside the political reasons the government used back in 1998 and deal with the proposal on its merits.

It is absolutely critical that politics play no part in however the minister may respond to the recommendations in this report or to the bank merger proposals themselves should they be presented.

There is not much sense in responding to a lot of rhetoric presented by the fifty party in the House, both in committee and in the House today. The facts are clear. The recommendations are out, we are waiting for the minister to respond, and I hope he responds as soon as possible.

Banks have a clear understanding of the recommendations. They will make their proposals if they wish on an application to merge. That is when we can debate the merits of the proposals. It is as simple as that. Anything said now is a bit ahead of time because we are waiting for the minister to respond to the report. We also want to see if there are any banks that do want to make merger proposals.

● (1325)

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, under the unanimous consent received earlier this day, I would now like to present the report of the Standing Committee on Procedure and House Affairs concerning Bill C-24.

The Deputy Speaker: The hon. member for Peterborough is correct in reminding the Chair and others that this is consistent with an earlier agreement made by the House this morning.

* * *

POINTS OF ORDERS

HEATING FUEL REBATE

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I rise on a point of order with regard to the payment by the Canada Customs and Revenue Agency of *ex gratia* payments for the heating fuel rebates, and specifically the ongoing payments that are being made under a program that we all thought had been brought to a conclusion.

As you are aware, Mr. Speaker, the Government of Canada paid out over $1.4 billion in heating fuel rebates that the government said were urgently needed in January of 2001. To obtain the spending authority to make such payments, a Governor General's special warrant was granted because Parliament had been dissolved for the general election of November 2000 and had not yet been recalled. Unfortunately, payments are still being made even though that spending authority under the special warrant lapsed at the end of the 2000-01 fiscal year pursuant to section 30(2) of the Financial Administration Act.

I believe, Mr. Speaker, that you will find from the evidence I provide today that the Government of Canada does not have the authority to continue providing heating fuel rebates since its authority has lapsed. As Marleau and Montpetit state at page 697:

> No tax may be imposed, or money spent, without the consent of Parliament.

Marleau and Montpetit also state at page 704:

> —appropriations are always made with a time limit; the spending authorization provided under an appropriation act expires at the end of the fiscal year to which the Act applies.

Bill C-20 of the first session of the 37th Parliament states that it was "An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2001".

Section 3 of the act deals with the confirmation of the payments for special warrants for the fiscal year ending March 31, 2001, and states:

> The payment from and out of the Consolidated Revenue Fund of the sum of $3,509,910,912 for the purposes set out in the schedules to the special warrants signed by the Governor General pursuant to section 30 of the Financial Administration Act and orders of the Governor in Council of December 13, 2000...January 9, 2001...and January 23, 2001...and published in No. 52 of Volume 134, and Nos. 4 and 6 of Volume 135 of Part I of the Canada Gazette dated December 23, 2000, January 27, 2001 and February 10, 2001, respectively, is hereby confirmed.

I draw your attention, Mr. Speaker, to the point that these warrants are for the fiscal year ended March 31, 2001 and Bill C-20 was for the fiscal year ended March 31, 2001. However the spending under this program continues.

Beauchesne's sixth edition makes a number of references to the expiration of spending authority, specifically citations 933 and 934. I made reference to these citations and citation 968 on June 8, 1999 at page 16053 of the *Debates* when I raised a point of order regarding the title of a supply bill and its reference to two fiscal years.

As you are aware, Mr. Speaker, while the government has the authority to make *ex gratia* payments, Parliament has to appropriate the funds for them. During Parliament's dissolution when there is no opportunity for appropriation for a payment that is urgently needed for the public good, Parliament has authorized the use of the Governor General's special warrants which must be confirmed in a supply bill placed before Parliament, which was in this Bill C-20 that I referred to earlier.

A brief history of the situation regarding the heating fuel rebate payments under the Governor General's special warrants is on pages 9 to 13 of chapter 13 of the 2001 report of the Auditor General of Canada, and I quote selectively. It states:

> In the October 2000 Economic Statement, the government announced that it wanted to provide some relief for increased heating expenses. It proposed that those eligible to receive the January 2001 payment of the goods and services tax credit would also receive the relief for heating expenses. The amount of the relief would be $125 for individuals or $250 for families. The total estimated cost was $1.345 billion. On 19 October 2000, the House of Commons approved a Notice of Ways and Means motion that included the government's proposal.

● (1330)

It goes on to state:

> On 22 October 2000, Parliament was dissolved for the general election. Legislation to authorize the payments had not been introduced before Parliament was dissolved...
>
> On 12 December 2000, the Governor in Council approved an order-in-council to authorize payments for increased heating expenses. The recipients of the payments would be those eligible to receive the January 2001 payment of the goods and services tax credit...
>
> On 9 January 2001, the Governor in Council directed that a special warrant be prepared to authorize the payment of $1.294 billion for relief for heating expenses. On 23 January 2001, the Governor in Council directed that another special warrant be prepared to authorize the payment of a further $227 million for the same purpose...
>
> On 31 January 2001, the Canada Customs and Revenue Agency started mailing cheques to about 8.6 million recipients. The total cost of the relief for the year ended 31 March 2001 was $1.459 billion. The payments were charged to the Canada Customs and Revenue Agency's operating expenditures vote and are included in Other Transfer Payments in the Public Accounts of Canada...

It goes on to state, "The special warrants were reported to Parliament on 12 February 2001 in a document entitled "Statement on Governor General's Special Warrants".

That is the end of the selective quotes from the Auditor General's report.

On page 30 of that statement on Governor General's special warrants, there is an amount under vote 1 for Canada Customs and Revenue Agency of $1,706,171,342 of which $1,521,819,000 was available to the government under the heating fuel rebate program. According to the Public Accounts of Canada at year ended March 31, 2001, the government had spent $1.459 billion, leaving a balance of $62,819,000 authorized but unspent.

As you will agree however, Mr. Speaker, there was no authority for the government to carry that amount forward to a subsequent year, and that is the point which I am arguing.

In Marleau and Montpetit at page 747 there is a short dissertation on the use of Governor General's special warrants. I know, Mr. Speaker, of your particular interest in the use of Governor General's special warrants. On page 747 of Marleau and Montpetit, it summarizes section 30(1) of the Financial Administration Act, and states:

> In a very special circumstance, the Financial Administration Act allows the Governor in Council... to issue a Special Warrant...provided that the following conditions are met:
>
> Parliament is dissolved;
>
> A Minister has reported that an expenditure is urgently required for the public good; and
>
> The President of the Treasury Board has reported that there is no appropriation for the payment.

In short, all three principles must be present for a special warrant to be issued.

Therefore, I was very interested when I received a letter as chair of the Standing Committee on Public Accounts from Mr. Richard Neville, the Deputy Comptroller General of Canada, dated April 23, 2003, which states, among other things:

> I am seeking the endorsement of the Public Accounts Committee for the following waivers to the publication of details related to ex gratia payments.

He goes on to say:

> As the heating fuel rebate was based on the eligibility for the GST tax credit, additional payments will be made as periodic re-assessments for GST tax credit eligibility occur.

However that authority has long since expired for these payments.

Mr. Neville appeared as a witness before the Standing Committee on Public Accounts on May 12 to formally ask for a publication waiver in the Public Accounts of Canada for the fiscal year 2002-03 for a variety of items, including the heating fuel rebate. At the meeting of the Standing Committee on Public Accounts, Mr. Neville stated that for the fiscal year 2002-03, the amount paid out for heating fuel rebates totalled $13,086,165 and he indicated that the government would be paying out additional rebates for the fiscal year 2003-04.

● (1335)

I therefore went back to the previous year to see if there had been a request to the public accounts committee from Mr. Neville on this issue, requesting a publication waiver for heating fuel rebates. Mr. Neville in a letter dated May 14, 2002 to the public accounts committee stated:

> We seek your continued support for the publication waiver of names associated with the residual payments of these two programs over the life of the programs.

He was referring to the heating fuel rebate and to a special benefit program for the merchant navy veterans.

I had no idea that when we were talking about what I thought were a few residual payments, we were talking about 277,000 claims for a total of $42.2 million in the fiscal year 2000-01, all paid out without authority. This is scandalous.

I mentioned earlier that there was an amount of $62.8 million that had been confirmed under Bill C-20 but unspent, but the authority to spend that money lapsed on March 31, 2001. The heating fuel rebate program is not a statutory program. There is no legislation which states that the payments for the heating fuel rebate must continue ad infinitum because the warrant was issued since the government had determined there was an emergency and Parliament was not sitting. There has been ample opportunity for the government to make a new request for supply and the emergency has long since passed.

Treasury Board seemed to believe that the passage of a special warrant allows the government to pay money year after year for a program that was supposed to be a one time occurrence and urgently required for the public good.

Moneys appropriated by Parliament may be only spent in the year in which they are appropriated. Speaker Parent in his ruling of June 8, 1999 at pages 16065-6 of *Hansard* clearly stated:

> The House is quite aware of the concept of the fiscal year which runs from April to March, and the concept of the yearly appropriation bill which must be based on the estimates for a fiscal year and which must be adopted by parliament to cover the government's expenses for that fiscal year. We are very familiar with these notions of fiscal year and annual appropriations, which are the cornerstones of our parliamentary financial process.

Indeed, Speaker Parent took exception to the title of the appropriations act in Bill C-86 which referred to two fiscal years. He qualified the reference as "not needed" and "misleading". This is also referenced in Marleau and Montpetit at page 741, footnote 268.

Mr. Speaker, I therefore ask that you reduce Canada Customs and Revenue Agency's vote 1 by $55,296,790 in the main estimates for the fiscal year ending March 31, 2004 to reflect the situation, unless the government apologizes for this affront to the House and rectifies the situation.

The House and its Speaker have expressed dismay several times in the past when it has been determined that the House has not been properly informed. This situation is another blatant attempt by the government to bypass Parliament, ignore Parliament's express rule that (a) money cannot be spent without Parliament's approval, and (b) money is granted for only one year.

In order to maintain the dignity of the House, I ask that you rule in favour of my point of order and reduce the Canada Customs and Revenue Agency's vote by $55,296,790, reflecting that $42,210,625 spent without authority in 2000-01 and the $13,086,165 spent in 2001-02.

In addition to this, Mr. Neville advised the Standing Committee on Public Accounts that he anticipated additional payments during this fiscal year ending March 31, 2004. I therefore ask that you order the government to cease all further payments under the heating fuel rebate program until the proper parliamentary authority has been sought and given.

● (1340)

The Deputy Speaker: The hon. member for St. Albert has raised a very substantive issue before the House. I know he would expect, as would all members expect, the Chair to consider it with the seriousness and thoughtfulness that it will require. The Chair will take this point of order under advisement and come back to the House at a later date.

* * *

COMMITTEES OF THE HOUSE

FINANCE

The House resumed consideration of the motion.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am a bit surprised to be debating the issue of bank mergers, particularly when a very detailed report by the Standing Committee on Finance was finished in March 2003. Obviously my colleagues in the corner missed a lot of this review because they would not be raising an issue today which went through many months of detailed analysis.

We were charged by the Minister of Finance to look at the issue of public interest. Some of my colleagues believe that we cannot allow bank mergers. The fact is that Bill C-8, legislation which was before the House in 2001, allows for that.

The Minister of Finance asked us to look at the public interest. For the record I would like to make it very clear what it is he asked for. He asked that Canadians in all regions be able to have quality financial services, with special attention to the disabled, low income individuals and rural communities. He wanted us to look at the choice among financial service providers and the availability of financing for businesses, particularly small businesses and Canadians; creation of long term growth prospects for Canada; having more effective internationally competitive institutions; and adjustment and transition issues, including the treatment of employees. We took the minister's letter and evaluated the issue of public interest.

It is important for all Canadians to know that we have and will continue to have the strongest financial institutions, I would say, in the world. During the Great Depression of the 1930s the banks in the United States folded like cards. The banks in Canada did not. We did not have any bank failures.

The process began. The banks were brought before the standing committee. All sorts of interested stakeholders were brought before the standing committee to evaluate these issues. We did not take these issues lightly.

The review process is important. Obviously the banks may make a decision and it may be based on whether or not they feel they can be competitive internationally. They are going to make a business decision. It is up to us as parliamentarians to evaluate the public interest to see if it will be served and how best to respond.

We produced a report with 11 key recommendations. I would invite members of the New Democratic Party to read them sometime. They will find that the recommendations address the issues that were presented by the minister in his letter.

The discussions with the banks in terms of issues were wide ranging. Any proposal, if it were to come forth, would be reviewed by the Competition Bureau. The Competition Bureau is going to look at the issue of competition in areas across the country. The Office of the Superintendent of Financial Institutions plays a key role. It analyzes any proposed merger with respect to the soundness and stability of the banking system. The Standing Committee on Banking, Trade and Commerce in the other place and the House of Commons finance committee were asked to look at the public interest.

The majority of the witnesses who came forward indicated very clearly that we have strong financial institutions. Some did not want to see any changes. Some of the members were suggesting earlier that some of the banks were closing in their ridings. I am sympathetic to that, but that is a decision the banks make and they would go ahead whether or not there are mergers. The decision to open branches in certain areas is based on the needs as perceived by those particular banks. Obviously there are procedures in place to deal with notification issues, et cetera.

The finance committee was charged with the responsibility of seeing how the public interest would be dealt with. Dealing with and defining the public interest in anything is very difficult. It depends upon whom we are talking about in the public. The various stakeholders range from bank presidents to interest groups to community organizations who are concerned, and legitimately so, about the state of financial institutions and the implications if there were to be mergers.

● (1345)

There have been no proposals presented, but we wanted to be proactive as a committee to make recommendations to the minister. There is a procedure, as members know. The minister is going to report later this month on the recommendations. What I find interesting is that the New Democratic Party would have us move concurrence when the fact is that we have asked the minister to respond to the report.

I want to know what the point is of producing a detailed and thoughtful report by parliamentarians on which the official opposition agreed, except for my friends in the corner who did not agree and that is their right, in which we asked the minister to respond. Now that the minister will be responding, the NDP want to jump the gun. That does not make any sense. Why would we spend all that time putting forth a detailed report, asking the minister to look at some very important recommendations which we believe will advance the public interest and are important to the public interest and will help in shaping the minister's response to the recommendations? No, the NDP would rather spend time in the House today talking about something with which we have dealt and are waiting for a response under the guidelines and the timelines granted to the committee and to the minister.

The minister will fulfill that timeline and in doing so, we will get a detailed response. If members in the House do not like the minister's response, they have every right to say so and they can respond accordingly. But to jump the gun, to jump the queue before the minister responds makes no sense.

If members of the New Democratic Party were to read the report in detail, they would realize, and in their own dissenting report they would at least be able to say that it has had a fair hearing before the minister. If they do not like the recommendations, so be it.

In my view, they would rather play politics here and waste the time of the House by talking about something because they do not want to talk about something else which is of importance to Canadians as well. We all know that, but this is the way this institution works.

Let us talk about some of the key issues in that report that we addressed to the minister.

The issue of access is important to Canadians whether they live in a big city, in rural Canada or remote places. My New Democratic friends would agree with that as well. The issue then becomes, what kind of services? Are we talking about full banking services?

Today in the age of technology we can go to ATM machines, but some ATM machines are not convenient for people because they may not have a full range of services. People may not be able to use a particular card or the machines may not have the kind of transactions that they would like. They may be okay to take the money out but they may not necessarily be good for bill payments and other things. That came out during the discussions. We talked about access issues, saying that there needs to be full service access, whether it is through bricks and mortar or machines. They have to provide access to Canadians wherever they live and it needs to be high quality.

Jobs are also important. People who live in a rural community where the only bank in that community has closed may want to take out a loan. What happens then? They knew the bank manager in their community but now they have to go 100 kilometres down the road to a bank where no one knows them. Those issues were brought to our attention and we responded.

The Bank of Montreal said that its strategic plan was to deal with small business loans. Its niche in the banking sector is small business. That is what it wants to deal with and it wants to expand on that market. It was not necessarily so for other banks, but they all look at the issue of how they can take care of their customers. Banks are no different from anything else. Obviously if they do not have customers, they are not going to have profits. If they do not have profits, they are not going to do very well. Naturally those were issues we wanted to deal with. As I said, that was an important issue.

We know that if any bank mergers were to occur, people in the big cities would be all right, primarily because of the concentration and number of financial services available in large cities, but that is not so in rural and remote communities. This was a very important point which we stressed in the report. Again I would suggest that my friends in the New Democratic Party may want to read it.

● (1350)

On the other hand, I know the NDP has talked about employment issues. We certainly tried to address some of the issues in the report, such as job protection for Canadians who work in these financial institutions, early retirement and what things can be done to make sure, through attrition or whatever it happens to be, that we do not have a great dislocation, particularly for people on the front lines.

One of the issues that the financial institutions talked about was the issue of competitiveness internationally. We have six very strong banks in this country and yet they have to compete on a global scale. What is the impact on a global scale? Is there a strong rationale to do so?

I said that we have very strong financial institutions in this country, and we do. In fact, we can be proud that they operate efficiently and that we have not had the collapses that we have seen in other jurisdictions.

The discussion of course is, on scale, on international competitiveness, which was one of the major issues the banks addressed. Another issue they addressed had to do with the whole issue of shareholder value. They also talked about the health of the financial service sector.

From our standpoint, obviously we are concerned about whether these institutions will be able to deliver in this market and what they may do elsewhere. We know, for example, that 50% of the Bank of Nova Scotia's profits comes from overseas, particularly in areas in the Caribbean. That is where it decided to focus its particular niche.

However we wanted to make sure that, in terms of addressing the minister's letter, we responded effectively, which is why the March report was presented.

Normally, when committees present their reports they wait to hear from the minister. Hopefully the ministers, when they read those reports, and I know they read them very carefully, will respond effectively to those 11 recommendations. I know the Minister of Finance is very much interested in what we have to say or he would not have asked us to undertake the issue of public interest.

The fact that we have done that and that we are now waiting for a response from the minister within the prescribed timeframe, it seems a bit strange that today we would try to, in my view, hijack the House by suggesting that we need to deal with an issue for which a report has already been presented, and trying to say that we are not getting a response. The fact is that we are doing it under the prescribed timetable that the committee works under and that the minister works under.

I can tell the House that the Minister of Finance will respond in a way in which he will look very carefully at the 11 recommendations because it is not only important to members of the House, it is important to every Canadian. Every Canadian has the right to know the approach the government will be taking. I can assure members that is one thing the Minister of Finance will do and he will be do it effectively .

It is also important to note that, as I said, we do not want to mix apples and oranges.

Bill C-8, as we know, was the Financial Consumer Agency of Canada Act . We know that under that legislation the issue of mergers was allowed. What the minister is trying to find out is how that can be further clarified in terms of the public interest, and therefore if banks wanted to merge tomorrow they could make a proposal.

The fact that they have not presented a proposal means that they are waiting. They are not jumping the gun. They are waiting to hear what the minister has to say. Only the NDP wants to jump the gun. However Canadians and the banks want to hear what the minister has to say, as do, I believe, all members in the House. When that comes down, I would then expect a full and thorough discussion, as it should be.

We listened to many witnesses who made very thoughtful and useful presentations to members of the Standing Committee on Finance. We were able to look at the issues very carefully and to dissect some of the key problems that people were seeing out there.

We were not just focusing on large urban communities but also on rural and northern communities to make sure that if we were going to do it we would do it right. If we are going to allow something, we want to do it right because 70% of the mergers generally across the globe fail and therefore we want to make sure that it is done right. The New Democratic Party wants to rush it but we do not. We want to make sure it is done right.

● (1355)

I hope those members will give the minister the ability to present his report and for us to be able to then respond. I have great faith in the fact that the Minister of Finance will do so in a very timely manner.

At this point, as we wind down to our question period, we are faced with the issue of what the guidelines are and what we want the minister to evaluate. He has 11 key recommendations that deal with the issues of access, competition and employment. Those are important issues and they need to be addressed under the timelines and guidelines set out by Parliament. Otherwise we will have a response that will not do justice to the committee report.

I congratulate all my colleagues who were on the committee and who spent long hours to make sure we heard from Canadians and various stakeholders in order to do our job effectively. The report, which the minister has been looking at, is one for which we are very pleased. I can tell the House that when the minister responds I expect we will be able to evaluate his response and say where it is that we agree. Hopefully, we will agree on everything, but if we do not, at least we will have had a fair hearing.

One of our responsibilities as parliamentarians is that we do not have to agree but we have to talk about the process, and nobody has complained about the process. I want to make it very clear that the process is important to us and to all Canadians.

I hope my New Democratic friends will read the recommendations, because clearly they must have missed them. They also must have missed their own minority report because obviously if they had read it they would know that they were asking the minister to respond, and that of course is what we are trying to do.

STATEMENTS BY MEMBERS

[*English*]

JUNO BEACH CENTRE

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, when the Juno Beach Centre opens this week, a bronze sculpture called "Remembrance and Renewal" will be the centrepiece of the courtyard leading into the centre.

It features five helmeted figures facing outward from a circle. Each figure represents a distinct emotion, such as leadership, vigour and alertness. Another looks sombre and reflective. A fourth figure advances while assisting a comrade.

It was sculpted by Colin Gibson and cast at Artcast Inc. foundry in Georgetown, in the riding I serve.

I would like to thank the sculptor and Artcast Inc. for their contribution to the Juno Beach Centre.

Above all, I would like to pay tribute to the veterans who stormed the beaches of the Normandy coast in 1944, for all the sacrifices they made.

We will remember them.

* * *

● (1400)

ABORIGINAL AFFAIRS

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, we would not remodel our home if the foundation was rotten. That would be wasteful, foolish and illogical.

Yet that is exactly what the federal government is doing with Bill C-7, the $1 billion first nations governance act.

The Minister of Indian Affairs and Northern Development said just a few days ago that all 634 Canadian chiefs were "self-serving bullies". If he believes that assertion we would have to ask ourselves why he would then want to give those bullies much more power than they already have.

The bill would entrench the most expensive and least effective model of governance yet tried in first nations.

Meanwhile, the government is preoccupied with the dumb as a bag of hammers Bill C-24, the political financing act.

Rifts have developed. A legacy is at risk. However

> the Liberals have resolved the issue by tapping the taxpayers for another $5 million, all because the bill would have an impact on just $1 million of Liberal fundraising.

Meanwhile, Canadian taxpayers are being charged a billion—

The Deputy Speaker: The hon. member for Algoma—Manitoulin.

* * *

DISTINGUISHED SERVICE AWARD

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, two days ago on June 3, former parliamentarian Aideen Nicholson was honoured by her peers. The Canadian Association of Former Parliamentarians presented to Aideen the Distinguished Service Award in recognition of her service to Canada, to Parliament and to her former constituents of Trinity whom she so capably represented from 1974 to 1988.

Ms. Nicholson is now a northerner living in Elliot Lake, Ontario, in my riding of Algoma—Manitoulin. We feel blessed to have her living among us.

Aideen, in a fashion typical of her lifelong service to others, has jumped right into our community. It is clear that she has thrived in our wonderful social and natural environment having become a hospital trustee and a board member for the White Mountain Academy, the Women's Crisis Centre, St. Peter the Apostle Anglican Church and the list goes on.

During her parliamentary career, Aideen distinguished herself on both the government and opposition sides of the House as a committee chair and parliamentary secretary in numerous portfolios.

However, for all her accomplishments, we still like her best for her heart and her soul. I congratulate Aideen.

* * *

MIDDLE EAST

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I invite my colleagues to join me in congratulating United States President George Bush for his efforts to bring peace to the Middle East.

As we are all aware, the conflict in the Middle East is an old and deep-rooted one. Yesterday, President George W. Bush attended what may very well become an historic meeting for peace by joining Mahmoud Abbas, the new Palestinian prime minister, and Israel's leader, Ariel Sharon, in the Jordanian city of Aqaba.

This meeting represents the first cautious steps taken along a road that is designed to lead to a lasting peace between Israelis and Palestinians.

I am sure the House shares my optimism toward this renewed effort to resolve the conflict between Israelis and Palestinians. I join my colleagues in support for the U.S. president in building the confidence on both sides that is crucial to the success of achieving peace in this troubled region of the world.

* * *

DEMOCRATIC REPUBLIC OF CONGO

Mr. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I rise today to sound the alarm, to warn against an impending genocide in the Democratic Republic of Congo, such as occurred in Rwanda in 1994.

In one sense the unspeakable has already occurred. War in the Democratic Republic of Congo has lasted four years, involves six African states in Africa's world war and more than 3 million people have been killed. The "never again" rings hollow in the face of "yet again", again and again.

What is needed, therefore, is a multi-layered diplomatic, defence, political and humanitarian intervention in which Canada can take the lead. In particular, the United Nations force, as authorized by the UN Security Council, is too limited both in numbers and mandate to do what is needed; stop the killing, end the flow of weapons and disarm the militias.

Canada should also seriously consider contributing a significant force to the UN position.

Political: Canada should join the U.S., European countries and South Africa to increase the pressure with respect to a political solution.

Humanitarian: A massive humanitarian relief effort is needed.

Most important, we need someone, some country, to sound the alarm, to place wake-up calls to the international community to ensure that "never again" means exactly that.

* * *

● (1405)

AGRICULTURE

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, Canadian cattlemen and the cattle industry are facing the most devastating situation I have seen in my lifetime. Many are my friends and neighbours, and I know they ask for very little from the government. They ask only for the removal of unfair trade restrictions so they can have free and fair trade. They ask for lower taxes. They ask for unnecessary regulations to be removed so they can spend more time running their business.

The Canadian Cattlemen's Association has been an incredibly responsible organization when it comes to representing the views of cattlemen. Last year when cattlemen faced the most serious drought in history, they asked for no special help at all. Now, in their time of need when cattlemen need action on the part of government to do what is necessary to ensure the border is reopened, what do they get? Very little.

What is the government's plan to deal with the crisis in the cattle industry? It does not have one.

In this time of need our cattlemen, who ask for so little, deserve an awful lot more from the government.

* * *

JUNO BEACH CENTRE

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, tomorrow the Prime Minister and many Canadian vets are taking part in ceremonies to open the Juno Beach Centre in France.

As we watch the ceremonies unfold tomorrow and the Prime Minister honours the bravery and valour of all those who served in the second world war, all Canadians should be proud.

What the Prime Minister and my colleagues in the House should know though is that $7,000 of the millions it took to build this memorial was raised by the 2853 Royal Canadian Army Cadet Corps in Simcoe, Ontario. This is a group of 20 young individuals who went door to door around my riding explaining to people the need for such a memorial.

I want to show our appreciation here today in the House of Commons for the work that these 20 young individuals did. Also I hope my colleagues will join me tomorrow in celebrating the 59th anniversary of D-Day and to salute the efforts of over a million Canadians who served in the second world war.

* * *

[*Translation*]

WORLD ENVIRONMENT DAY

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, on behalf of my colleagues in the Bloc Quebecois, I would like to point out that World Environment Day reminds us that water, land and air are not to be taken for granted.

Each and every one of us must do our share to protect our environment every day. Moreover, people should be able to expect that governments will take the necessary steps to protect our resources.

The UN sees this day as an excellent opportunity to ratify international conventions on the environment. Of course, there is the Kyoto protocol, which represents a step in the right direction when it comes to greenhouse gas emissions. However, much work remains to be done, particularly on problems related to global warming, which may end up being 30% greater than forecast by UN experts.

In Quebec, there are the sites contaminated by the federal government, the St. Lawrence and lakes whose water levels are dropping, and the impact on the atmosphere.

Finally, I would like to remind members that our everyday actions, as individuals and as a government, will determine whether we succeed in protecting our environment, and as a result, our health.

[*English*]

BURMA

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, in respect of Dr. Cynthia Maung, who joins us in Ottawa today, I stand before the House to bring to the attention of my fellow colleagues the shameful situation in Myanmar or as most people prefer to call it, Burma.

In 1948 Burma was one of Asia's most promising young democracies, buttressed by a growing free market and well educated population. Today it is Asia's most backward country. It is a police state, ruled by a medieval military dictatorship, plagued by five violent insurgencies. Consequently, the majority of its population languishes in abject poverty.

This past weekend, Burma's ruling junta attacked the convoy of Aung Sun Sue Chi, Nobel prize laureate and winner of Burma's last free election. Between 70 and 100 pro-democracy activists may well have been murdered. Aung Sun Sue Chi was arrested with 19 of her colleagues and has not been seen since. There are reports she has been seriously injured and there are rumours she may have been killed.

Enough is enough with this regime. It has pillaged Burma and its people for too long while playing the rest of us for fools. Canada has rightly cut off most of its ties with that government. Following this shameful display on the weekend, we and our allies must, with one voice, tell Burma's generals this will not stand.

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ENVIRONMENT WEEK

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, like my colleague from the Bloc, we are glad to celebrate World Environment Day. Our environment is one of our greatest assets. It is our duty to be good stewards of our environment and to make certain that we do all we can to keep it healthy.

The government's report card would include many failures: smog days continue to grow in our cities; asthma cases rise yearly; boil water orders grow across Canada; no action on major transborder pollution issues which occur in southern Ontario and the Fraser Valley; invasive species increase in our great lakes; contaminated sites are not prioritized and no cleanup plan is in place; and sewage is dumped into our oceans in Victoria, Halifax and St. John's.

The Liberals, for all their talking about the importance of the environment, have done very little to help our environment. These issues are serious and must be dealt with soon. When our environment deteriorates, the health of our people deteriorate.

How much longer will the Liberals neglect our greatest asset? How much longer will they neglect what is good for the health of all Canadians?

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● (1410)

ENVIRONMENT WEEK

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, as we celebrate Environment Week, I am delighted to inform the House that the Halifax Regional Municipality has become a leader among Canada's large urban areas by adopting an advanced municipal solid waste management strategy that has significantly reduced the amount of waste that goes to landfill.

Greenhouse gas emissions from the municipality's landfill site have been reduced by approximately .5 megatonnes per year, or about 1.4 tonnes per resident, compared to 1995. These reductions are among many environmental benefits of a system that has helped achieved a 61.5% reduction in the amount of waste per person sent to landfill between 1989 and 2000.

I invite all members of the House to join me in congratulating the Halifax Regional Municipality for its significant contribution to combating climate change.

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FIREARMS REGISTRY

Mr. Gary Schellenberger (Perth—Middlesex, PC): Mr. Speaker, the PC Party launched a website to collect stories from the thousands of Canadians who have had serious problems registering their guns. This site can be found at www.gunregistry.ca, and it has already had 50,000 hits in less than a month. We have collected hundreds of submissions from every province of Canada, and so far, no crash. At a peak time we had 2,500 hits in one hour, and guess what, no crash.

The website comes at a total cost of $20 a month. Meanwhile the government spends $1 billion on a system that works poorly and rarely. We in the Progressive Conservative Party are getting more bang for our buck.

On May 6 the Solicitor General said in the House that he wanted to hear from all Canadians who had difficulties registering their guns. We are here to help. By visiting www.gunregistry.ca, people can fill out an online form outlining the problems they have had with the system. We will personally put them in the hands of the Solicitor General.

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[*Translation*]

SEMAINE QUÉBÉCOISE DES PERSONNES HANDICAPÉES

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, across Quebec, the Semaine québécoise des personnes handicapées is in full swing and this year's theme is, "Together, everyone is a winner".

Across Quebec, from Gaspé to Gatineau, including Laval, people are seeing how far we have come on the issue of fundamental rights for people living with functional limitations.

Through June 7, a variety of activities will be held in Laval, and one of them seems particularly symbolic to me. Today is the opening of an art exhibit entitled "Visages d'art" at city hall. The exhibit contains works by 17 artists from Laval's regional recreational association for persons with a disability and it shares the artists' vision of reality with the public. It is located in the Hall des Arts and runs until June 27.

I am happy to salute this initiative, which gives these artists a space worthy of their work and talent. I urge people to come and see it, because together, everyone is a winner.

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[*English*]

OPERATION BLUE STAR

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, this week marks the 19th anniversary of Operation Blue Star in which the Indian army stormed the golden temple in Amritsar. The Indian army on the same day also attacked some 34 other historic Sikh gurdwaras, places of worship.

These attacks all took place on a very religious day when innocent worshippers had come for prayers. As a result, thousands of innocent children, women and men were killed. The Sikh community around the world felt wounded and many tragic incidents resulted.

As Sikhs around the world mark the anniversary of the attack on the Sikh holy shrines, we must remember the victims of Operation Blue Star and ensure that such a tragedy never happens again.

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ENVIRONMENT WEEK

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, as this is Environment Week I want to commend a group of Moose Jaw students who have just proven that young people can indeed change the world.

Andrea Fenton found out that the Saskatchewan Burrowing Owl Interpretive Centre in Moose Jaw had run out of money and would have to close its doors. Andrea put out the call to some classmates from St. Margaret Elementary School, Kandice Hébert, Stephanie Montpetit, Valerie Paquette and Keaton Doig. Together they drafted a petition and took it door-to-door in Moose Jaw. They also solicited donations. Within a few days Andrea and her friends had collected more than 400 signatures and raised $2,600.

As a result of their actions, they also secured the attention of the government and some private sector donors. Glenn Hagel, the Saskatchewan minister of community resources, and Moose Jaw Mayor Al Schwinghamer are both committed to keeping the centre open. The federal government contributes through the environment department, and we have asked the federal government to pay special attention to the centre.

Andrea Fenton and her young friends have reminded all of us what it means to care deeply, and to do something positive about it.

● (1415)

ENVIRONMENT WEEK

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, this week is National Environmental Awareness Week. The theme of this week is "Give Earth A Chance". The objective of this week is to focus public attention on environmental issues to increase awareness and stimulate action at the local level.

There is an organization on Prince Edward Island which indeed has taken action this week. This Sunday afternoon, June 8, the Prince Edward Island Environmental Health Co-op is sponsoring the first annual Dandelion Festival. The event will be held at Victoria Park in the city of Charlottetown, and will be a family fun day with games and crafts for the kids, music, displays and informal workshops.

The Prince Edward Island Environmental Health Co-op is concerned about the unnecessary use of domestic pesticides and decided that the Dandelion Festival would be a fun way to encourage people to think a little differently about this little yellow flower that most people consider to be a weed. It promises to be a great event.

I would like to congratulate this group on its positive efforts as well as encourage as many people as possible to participate in this event.

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ETHICAL FOREIGN AID

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, the right to practise religion is something that most Canadians take for granted. Our religious decisions are between us and our God.

Unfortunately in some countries, the government abuses its power and persecutes religions. In Vietnam, Sudan and China, citizens are imprisoned and killed because of their beliefs. In one case in China, a practitioner of Falun Gong was sexually assaulted in public by the police because of her beliefs.

Yet the Canadian government rewards these states with foreign aid. Taxpayers' money is spent propping up these despotic regimes. In the last three years, these three states alone have raked in over $400 million in CIDA funding.

We cannot control the domestic policies of foreign nations, but we can make the decision not to reward them. That is why I have introduced my private member's bill, Bill C-414, the ethical aid bill.

I call on Canadians watching on television to call their MPs to urge them to support this bill and to stand up for what is right.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, yesterday I again asked the government for the details of a compensation package for the beef industry and yesterday the government again refused to answer those questions.

We are approaching an animal health disaster of epic proportions in this country. We have hundreds of thousands of cattle in feedlots. Those feedlots are within days, if not within hours, of going bankrupt.

When will the industry get some details of the government's compensation package for dealing with this dire situation?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the hon. Leader of the Opposition has a talent for stating the obvious. Everyone knows how dire the situation is and that is why the Minister of Agriculture was in Alberta yesterday, working with people in the beef industry to find a lasting solution to this problem.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I may have a talent for asking about the obvious, but the government sure has a talent for not answering.

The government has apparently indicated that it is only prepared to look at this problem within existing programs. The existing APF is not designed to deal with the special circumstances of natural disaster. The WTO allows for special programs and the APF operates at glacial speed.

Will the government commit to a compensation package that deals with the special circumstances of the natural disaster and the animal health disaster that we are facing here?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, there are a number of ways in which we can help the industry. One way the hon. Leader of the Opposition could help is to encourage the provinces and the farmers in those provinces to sign the implementation agreement so that there is a disaster program for farmers for this year. I have authority to sign that on behalf of the federal government. The provinces need to do that.

We are also discussing with the industry, as I did yesterday and today, ways in which we, for example, can help it with interest-free cash loans and those types of things in order to help it work through the situation in which we are all involved today.

● (1420)

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, this is a trade problem. Trade is the federal government's responsibility and it cannot pass the buck to the provinces.

Let me move on to a detail I asked about yesterday. We all know that Canadian beef is the best beef in the world, but we know the damage this crisis is doing to our reputation. Yesterday I pointed out that the delay in solving this problem will do long term damage to the market share, permanent damage to market penetration of Canadians products.

Will the government consider a compensation package to advertise, promote and market Canadian beef around the world?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as the hon. member has said, the quality and safety of Canadian beef speaks for itself.

We had a system that worked. We had one cow, which did not get into the food chain. The world is recognizing that. We need to complete the science so that we can clearly demonstrate not only to our biggest customer, the United States, but to the rest of the world that it was one isolated cow. That science is proceeding. We are not destroying any more animals than necessary. We need to complete that science and that is the only way we will solve this problem.

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, the government is not prepared to deal with this issue. Now the minister is trying to blackmail the provinces into signing the APF and is using this issue to do that.

We have been patient. Producers have been patient. The beef industry has been patient, but that patience is running thin and frustration is rising. We want some specifics. Since there is no compensation plan, what conditions must be met to clear our Canadian beef for export?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I do not know how many times we have to explain it to the opposition. We have technical briefings every day. We need to complete the science.

We had an approach and had an 85% expectation on the lineage of where the one cow came from. We have nearly completed the science. Out of 1,300 tests, 1,100 are back and they are all negative. Negative is good. We did not want to destroy any more animals to prove this science is necessary. Unfortunately, starting yesterday, we had to continue on another track in order to double-check and make sure, as is indicated so far, that—

The Speaker: The hon. member for Cypress Hills—Grasslands.

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, science has become the mantra of the minister. He thinks that if he keeps saying it long enough we are going to go away. That is not going to happen.

For five years the elk industry has been buried under the heading of science and the government has avoided its responsibilities.

This is a one cow crisis that seems to be turning into the excuse for a full-out trade barrier by the United States. Specifically, what are the Americans demanding from us before they will open the border to our beef?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I will say it again, it is the completion of the science so that we can demonstrate that we do not have any more mad cows in the country and that our system is there and that it works. When that is completed we will be able to lay that on the table in front of the United States and demonstrate that to the Americans. Then the discussions can take place on opening the border.

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[*Translation*]

SOFTWOOD LUMBER

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the softwood lumber crisis is getting worse and, while the government seems to be oblivious to the industry's cries for help, they have been heeded by the Bloc Quebecois; yesterday we toured the regions of Quebec on a fact-finding mission. The reality is that thousands of workers have lost their jobs in Quebec and 75 sawmills are in serious trouble.

If this increasingly bleak situation is not enough, what will it take to convince the government to act now, to improve employment insurance and offer loan guarantees to businesses that have fallen victim to the softwood lumber crisis?

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, we are already aware of the problems in this industry. We met with the people from the Conseil de l'industrie forestière this morning. We are trying to find solutions. All provinces, the Government of Canada and the industry as a whole must maintain a common front in order to find solutions together. That is what we are working on at present.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is a wonderful thing to study the problem from all angles. We, too, have met with people from the industry. The solutions we are proposing apply to all regions of Canada, to all provinces, and Quebec. They are not just for Quebec.

Why has the government not made loan guarantees available? The time for action is right now, not next fall, not in two years; it is now. For nearly a year we have been told the government is going to do something. The time has come for action. Improve employment insurance. Offer loan guarantees. That is what the industry told us.

● (1425)

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I do not know if the leader of the Bloc has been absent, but we have been taking action for a long time. We have assumed our responsibilities. We are working with the industry. We talked this morning with people from the industry. They are going to make a proposal. We are going to work together to find solutions to sustain the industry and all the men and women who depend on it. That is what we are going to do.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, yesterday, in the course of the softwood lumber tour, I met with industry leaders, managers and workers, including Lucette Pelletier, owner of a SQATEC sawmill. This sawmill has been operating for dozens of years. For the first time, it has had to shut down, due to the softwood lumber crisis.

Will it take many more such occurrences before the government provides loan guarantees and makes the other changes to the employment insurance program requested to save our industry?

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, as I mentioned and will repeat, we have taken steps to diversify regional economic development. At the same time, we are continuing our negotiations with the U.S. Also, we will work with the Quebec Forestry Industry Council to find solutions so that our Canadian industry remains as strong as it is has been in recent years.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, one of Ms. Pelletier's worst fears is losing her well-trained employees during this forced shutdown.

Does the secretary of state not understand that the economic diversification measures he takes refuge in when questioned about the softwood lumber crisis do not provide any short-term solutions to the problems experienced by the victims of this crisis? Instead, in cases such as the Pelletier sawmill and many others, these measures only make matters worse.

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I hope that the Bloc Quebecois does not think we are the ones who imposed the surtax on wood. We too are working hard to help this industry, and we will continue to do so. One thing is certain: we will not give up, and we will find solutions, as the Government of Canada has done in all the other areas it has worked on.

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[*English*]

AGRICULTURE

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, while the Minister of Agriculture and Agri-Food avoids giving straight answers on concerns over BSE, the Canadian cattle industry and our international trading partners are waiting for timely assurances.

When will the government implement a national strategy to instill international and national confidence in Canadian beef and when will the minister announce a compensation package for those suffering the ill effects from this Canadian beef problem?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I met with members of the industry yesterday in Edmonton and those members are in Ottawa today discussing it with officials. Those discussions are ongoing today. We certainly, as I said earlier today, look forward to expressing to those in the industry how we will be able to help them get through this situation that they are in.

SOFTWOOD LUMBER

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, on another serious trade breakdown, the Minister for International Trade continues to say that he has wide support for his approach to resolving the Canadian softwood lumber controversy. This is not true.

B.C. forestry minister Mike de Jong has voiced concern over the proposed quota, as has the chair of the Alberta softwood lumber trade council. A total of six provinces have now told the Prime Minister that they are opposed to the minister's deal.

Given this lack of support from the provinces and the lack of support on a number of files, will the minister retract this disastrous deal and go back and meet with the provinces?

Mr. Murray Calder (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, as the minister said last week, no, we will not.

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AGRICULTURE

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, my question is for the HRDC minister. Carrie Sanford has worked on the kill floor of XL Meats in Moose Jaw for the past 12 years. She is a single mother of two children and she is making less than $30,000 a year. She has taken her vacation pay and despite the minister talking about her officials proactively, next Monday Ms. Sanford is going to be laid off as a result of mad cow without an ounce of help or compassion from the government and she will have to wait two weeks before collecting EI.

With a $10 billion surplus, why will the government not be helping Carrie and her children on Monday?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, the hon. member is asking about a specific case. If he would like to send me the information, I will gladly send it to the minister and see if we can get an answer for him.

● (1430)

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, earlier today at the agriculture committee, there were groups from Saskatchewan concerned about Canada's current export customers. Eighty per cent of them say they will not buy genetically modified wheat.

Agriculture Canada continues to listen to Monsanto instead of Canadians and the world to have GM wheat licensed here. That would be a disaster because Canadian farmers will lose their markets. Saskatchewan's major farm and local government organizations are in Ottawa today. They are calling on the government to add a market impact analysis.

Will the government and the minister listen to this advice and commit to a market—

The Speaker: The hon. Minister of Agriculture and Agri-Food.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, Agriculture and Agri-Food Canada is not involved in reviewing an application for something such as genetically modified wheat. The Canadian Food Inspection Agency and the ministry of health are involved in it. That will be based on science.

I have said before in the House that we need to take a look at the other concerns that are in the marketplace and with the application and that type of thing. That work is being done by the government.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, cattle producers have had their farms quarantined. Their herds have been slaughtered, yet they cannot begin to rebuild their herds or their lives until the government drafts restocking guidelines.

When will the minister release the guidelines that will allow cattle producers to restock their cattle and rebuild their lives?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, there is already a program in place and I know the hon. member is aware of this. When animals have to be put down because of a reportable disease, there is compensation to the owner of each of those animals. As soon as that process is finished, if the individuals wish to take that money and restock their herds, they can do that immediately.

In regard to the criteria of the United States, I will say again, we need the science and we will complete that science as quickly as possible.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, there is a lot of science fiction coming from that side of the House.

Cattle producers are already looking ahead to restocking their farms for the future. These producers are waiting for the CFIA to give them written guidelines for that restocking.

Can the minister tell us when the CFIA will publish those guidelines to allow for the restocking of farms and to allow the people to get on with their lives?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think I am correct in saying that as soon as the quarantine is lifted farms can then start restocking.

[*Translation*]

The Speaker: The hon. member for Rimouski-Neigette-et-la-Mitis.

Some hon. members: Hear, hear.

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EMPLOYMENT INSURANCE

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, allow me to take 30 seconds to say thank you. My appearance may have changed slightly, but my temperament has not.

In Dégelis, the Bowater sawmill is calling back workers for 11 weeks because it does not want the wood in its yard to go to waste. Eleven weeks is 440 hours of work.

With the transitional measures for employment insurance in eastern Quebec and the North Shore soon coming to an end, the workers in Dégelis are concerned they will not qualify for employment insurance.

What tangible measures does the Minister of Human Resources Development intend to put forward to deal with the reality of the regions affected by the softwood lumber crisis?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): As you know, Mr. Speaker, employment insurance is there for the employees. We will continue to work with the ministers to ensure that these individuals are very well protected.

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, the government knows that several regions are going through a very difficult time because of the softwood lumber crisis.

What is the minister waiting for to relax the EI rules and provide income assistance, as the government did for the SARS crisis in Toronto and the fisheries crisis in the eastern provinces, to prevent a socio-economic tragedy in these regions?

● (1435)

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, the HRDC minister is working very closely with other ministers. As hon. members know, we have put money into economic development to deal with the softwood lumber issue.

The Secretary of State referred earlier to developments in Quebec and elsewhere. We will continue to work in partnership to ensure that employees are very well protected.

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[*English*]

TERRORISM

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, according to a November 2002 RCMP report, 8,000 Tamil Tigers involved in extortion, intimidation, and the smuggling of migrants are operating in Toronto. CSIS estimates that the Tamil Tigers raise millions of dollars each year to help fund and purchase weapons to carry on their war back home.

How much more evidence does the Solicitor General need before he adds the Tamil Tigers to Canada's list of terrorist entities?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, terrorist activity is a global problem and there are no boundaries to terrorist activities. The member should know that in November 2001 LTTE was listed under the United Nations suppression of terrorism regulations and its assets can be frozen and seized.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, they are still not added to Canada's list of entities. Perhaps the problem is that this is the same group that the former finance minister helped support with his attendance at one of their fundraisers.

Canadian passports are a hot commodity in Sri Lanka. They are a hot commodity for profiteers who are sending illegal immigrants to Canada. When will the Solicitor General take seriously the claims of Sri Lanka and put a stop to the dangerous activities—

The Speaker: The hon. Solicitor General.

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, the government takes terrorism, terrorist issues and terrorist groups very seriously. In fact, the hon. member was present in the House this morning when I tabled the security intelligence report and made a statement on security. If he had been listening clearly to that report he would understand the amount of effort that Canada is making both within Canada and around the world to cut the financing of terrorist groups and to address the terrorism issue.

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[*Translation*]

ST. LAWRENCE WATERWAY

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, while we are celebrating World Environment Day today, the backers of the member for LaSalle—Émard are still working to do away with compulsory pilotage on the St. Lawrence, thus making major savings possible for shipping companies, but at the same time increasing the risk of an environmental disaster for the river ecosystem between Les Escoumins and Quebec City.

The minister is preparing to eliminate the compulsory use of pilots in the Les Escoumins-Quebec City section, claiming that he is relying on new technology. Does he not understand that the best technology in the world cannot ever take the place of specialized pilots who have to make decisions in response to specific situations?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, I answered this yesterday. My colleague's statement is completely erroneous.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the minister needs to understand that elimination of pilots makes the river vulnerable, and there is always the possibility of disasters such as those we see too often reported in the international news.

Environmentally speaking, is the Minister of Transport not taking a huge risk by trying to please the friends of the member for LaSalle—Émard, his future boss?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, if the hon. member has such an interest in the St. Lawrence pilots, I suggest that he raise the question at the Standing Committee on Transport. I will be appearing before the committee next Monday.

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[*English*]

THE ECONOMY

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, in his February budget the Minister of Finance forecasted economic growth of 3.2%. However, since that time the Canadian economy has been hit by a series of shocks: SARS, the BSE outbreak, closing of the cod fishery, the ongoing softwood lumber dispute, and an appreciating Canadian dollar.

With all these economic disturbances, will the Minister of Finance introduce a fiscal and economic update that scales down government spending to bring it in line with the new realities of the economy?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, that is a good question. I do not intend to bring in a fiscal or economic update at this point in time. I do expect that within the next few weeks, as we get renewed projections from the private sector forecasters upon whom we rely on to determine the expectation of growth in the Canadian economy, I will be able to be more specific about what I expect the impact to be on growth this year. The effect on our fiscal position is somewhat different because it is based on different issues.

● (1440)

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, the 15% appreciation in the Canadian dollar since the beginning of the year should have been a good news story for Canadians, however the impact is driving and pinching our exporters because there has been no corresponding decrease in cost of production.

Will the minister bring in lower taxes for the business sector in order to offset the competitive disadvantage faced by our exporters?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the implementation of the 2002 tax cut package of $100 billion continues. That was one of the starting points in this year's budget. In addition, the budget introduced a number of reductions of taxes and charges, including the employment insurance premiums for next year, the elimination of the federal capital tax, and the increase in the small business deduction for small businesses.

Those are all elements that were in the budget. They seem to have foreseen the—

The Speaker: The hon. member for Erie—Lincoln.

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FIREARMS REGISTRY

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, Canadians are concerned upon learning that during a period of high volume last December, the information inputted into the gun registry system may have been lost. Can the Solicitor General assure gun owners who attempted to register during this time period that their information is in the system? What about those gun owners who may have been unable to register?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, it is in fact the case that people were unable to log into the system last December, but I want to clear up some confusion around the issue. No vital information was lost.

We want to ensure that those who tried to log onto the system in December and did not get logged on are not under the perception that they did get through. They can call the 1-800 number or the Internet line, which is now working. We want these people to have the opportunity to register and obey the laws of the land.

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SOFTWOOD LUMBER

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, yesterday the Minister for International Trade was unable to name a single province that supports his softwood lumber proposal. The government claims it has consulted with the provincial and industry authorities, but the facts suggest otherwise. They suggest the government ignored the interests of entire regions, regions like Atlantic Canada.

If the Minister for International Trade cannot name a single province that supports this proposal, why will he not withdraw it from the table?

Mr. Murray Calder (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, not only do we believe that Atlantic Canada, but all Canadians, should be exempt from the punitive measures applied by the United States.

In this case Atlantic Canada was not successful in achieving exemption from anti-dumping measures. In their meeting with the ministers two weeks ago representatives told him that they preferred a negotiated settlement with the ongoing litigation provided that their interests were met and that the anti-dumping petition would be withdrawn.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, on May 21 the government assured the Maritime Lumber Bureau that Atlantic Canada's duty exemption on softwood lumber would stand. On May 22 the Minister for International Trade removed Atlantic Canada's exemption and proposed a quota regime. Yesterday the Maritime Lumber Bureau resolved to take legal action against the government. Today the minister is meeting with the Maritime Lumber Bureau.

Will he reverse his decision to betray the softwood lumber industry in Atlantic Canada?

Mr. Murray Calder (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, I will just take and reinforce what I have already said to the member. We believe that not only Atlantic Canada, but all of Canada should be exempt from the punitive measures being applied by the U.S.

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URBAN AFFAIRS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the finance minister.

The environment minister says he wants funding for public transit; so do cities, the environmentalists and indeed the NDP. We have been very clear on that. The finance minister clearly knows this because his office called for a copy of Jack Layton's speech to a municipal conference last week, presumably so he could bone up before his own speech.

Why is the finance minster, who boasts of his surplus, the only one who refuses dedicated transit funds to help our cities and the environment?

● (1445)

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, there have been funds made available for public transit in a significant way, not only through the infrastructure program, but that vehicle is also available through the climate change funds that were proposed in the last budget.

The point here is to create more availability of public transit. That is what the challenge has been in many of our cities and that is where the federal government is directly implicated.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, clearly the minister has done nothing to dedicate more funds for public transit and, in fact, in a newspaper today he is quoted as saying he opposes a tax deductible transit pass because it would discriminate against people who do not work. The funny thing is that most of his beloved tax cuts discriminate against people who do not work.

Just where does this minister stand on public transit? Why does he support tax deductible business lunches, but he will not support tax deductible transit passes for people who really need them?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I support public transit being available for people who can use it. The problem we have in many of our cities is the lack of availability of service. That is why our emphasis has been on constructing the infrastructure making it available so that people can then use it, not coming up with a very expensive scheme to reward people who already use it.

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TRANSPORTATION

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, committees are charged with the responsibilities of reviewing the estimates of government departments and agencies. Recently, the transport committee reduced the funding request of VIA Rail by $9 million after VIA failed to explain why it needed even more money than last year. The minister has indicated he will move to overturn the committee's decision and put the money back.

Can the minister explain how he justifies circumventing the decision of an all-party committee so he can give even more money to his personal pet project VIA Rail?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the hon. member obviously does not understand the rules of the House. No one individual can overturn a committee decision, but all members assembled can and that is what I hope will happen next Thursday night when the estimates come forward.

I believe, with great respect, the members of the committee erred in their decision and they did not ask the right questions of VIA Rail. I have offered to go and I have been asked to go on Monday to explain VIA's estimates to the committee. Hopefully, that will make the hon. member more warm to passenger rail in Canada.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, in an attempt to defend the runaway firearms registry cost the Liberal government suggested that if MPs had done their job in reviewing estimates the huge cost overruns might not have occurred. The transport committee did provide that scrutiny with VIA Rail and it acted responsibly.

How does the minister justify overriding the work of the committee which is doing the very job that the government criticized another committee for not doing?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the transport committee was fully within its rights to examine the estimates and come to whatever conclusion it wanted. However the entire House of Commons has the right to pronounce upon that and they will do so next Thursday night.

[*Translation*]

VIOLENCE ON TELEVISION

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Montreal school board has implemented a plan to fight violence on television. From 1994 to 2001, acts of violence increased by 432% on the private television network in Quebec and more than 80% of these acts of violence were broadcast before 10 p.m.

Does the Minister of Canadian Heritage intend to support the demands of the Montreal school board, which is asking that violent shows and films be broadcast after 10 p.m.?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am certainly interested in receiving such recommendations. It is well known that a report on the diversity of broadcasting channels will be released by the Canadian heritage committee a few days from now.

If it is possible to review this matter, why not?

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, meeting the expectations of the coalition formed by the Montreal school board will require changing the CRTC's mission.

How does the Minister of Canadian Heritage intend to handle this matter?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I think it has been a year and a half now that the Canadian heritage committee has been reviewing issues pertaining to broadcasting. I know that the hon. member is on the committee.

Why not consider all these issues within the framework of a new Broadcasting Act?

* * *

● (1450)

[*English*]

STATUS OF WOMEN CANADA

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, the minister responsible for Status of Women Canada is supporting the idea of a "hate watch group" to monitor men's and parents' organizations across Canada. This recommendation is found in the report commissioned by the minister called "School Success by Gender: A Catalyst for the Masculinist Discourse".

Two well-known and respectable organizations in British Columbia are on that hate list.

How can the minister justify spending public funds on an absurd list that promotes hatred against respected parents' organizations?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I think the work of Status of Women Canada is actually to discourage hate against any person on the basis of gender.

I have to say that when I look at the literally thousands of women in Canada still working for 64¢ on a dollar earned by a man, the thousands of women in Canada working full time trying to raise a family on less than $20,000, and the fact that 7% of boards of directors across the country are women, I think we have a long way to go to achieve equality in this country. I hope Status of Women Canada continues its good work.

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, those are nice comments but they have nothing to do with the compiling of a hate list.

The minister spent 75,000 precious taxpayer dollars on a report filled with hate and inflammatory language that does nothing to raise the status of women but everything to denigrate men, families and parent organization volunteers.

We know Liberals have contempt for Canadians but never suspected they would subsidize groups to demonstrate that contempt.

Why did the minister spend $75,000 on a project that is a poorly disguised attack on men and the family unit?

[*Translation*]

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I find it troubling that the member is referring to work done by three professors at Université Laval. If she does not agree with recognized work done by universities on the issue of gender equality, that is her prerogative. However, I think the Government of Canada has a duty to ensure equality between men and women.

Three professors from Université Laval have conducted a study; we should at least look at it.

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[*English*]

AGRICULTURE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I am aware that the responsibility for dead stock removal is under the jurisdiction of the provincial governments. In Ontario, the legislation that deals specifically with this issue is the Dead Animal Disposal Act.

Although it is clearly stated in provincial legislation that dead stock removal is the responsibility of the provincial government, there have been increasing discussions in the Province of Ontario that the federal government does have a role to play in regard to this matter.

Could the Minister of Agriculture please tell the House and the residents in the Province of Ontario whether the federal government has a role in the removal of dead stock in Ontario?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as the hon. member has said, dead stock removal comes under the jurisdiction of the provinces. The provinces are responsible, as well, for groundwater and waste management within their jurisdiction. They have guidelines and standards for that.

Canadian farmers are well-known and have a good reputation for obeying those standards and guidelines, as are waste and landfill sites. I expect and I know they will live up to both the guidelines and the standards.

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CANADA ELECTIONS ACT

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, last week the president of the Liberal Party stated "I think [Bill C-24] fuels the cynical fires".

If he thought Canadians felt cynical then, he can just imagine how they feel today upon discovering that, to placate his backbench, the Prime Minister has doubled Bill C-24's annual taxpayer gift to the Liberal Party to $9 million, year in and year out.

Why should taxpayers be on the hook just because the Liberals want to be the recipients of the gift that keeps on giving?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, let me start by thanking all hon. members who worked tirelessly on the procedure and House affairs committee for their very diligent work in reviewing Bill C-24 which was reported to the House today. Apparently they will have additional recommendations to make to us. Given that they have not been tabled, I surely will not comment on them.

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, Canadians are unimpressed by the Prime Minister's decision to replace corporate donations with forced donations from taxpayers.

As the keystone of the Prime Minister's precious legacy, why does he not take the high road, eliminate corporate donations and require the Liberal Party of Canada to raise its money from individual donors who actually want to give money to the party, rather than picking the pockets of every taxpayer in this country?

● (1455)

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, what the hon. member says is somewhat incorrect when he looks at his own party. He says that he is against contributions from the taxpayer. In the last election and the one before that, millions of dollars went to the Alliance Party through taxpayer subsidy. Millions of dollars went to individual Alliance candidates. Does anyone know how many of them are reported in the public accounts as having given the money back? Zero.

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[*Translation*]

FOREIGN AFFAIRS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, Aung San Suu Kyi, Nobel Peace Prize laureate, leader of the Burmese opposition and symbol of democracy in her country, has again been detained without reason by the junta in power. Ms. Kyi has criticized Canada because, unlike the U.S., we have refused to ban investment in Burma.

When will the government decide to provide real help to bring democracy to this country by putting pressure on Canadian companies operating in Burma?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada fully protested the action of the junta in Burma. We are still taking firm action vis-à-vis Burma. We support the re-establishment of democracy in Burma. We will continue to make efforts to ensure that democracy prevails in Burma and we are working with all of the opposition in Burma to ensure this outcome.

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[*English*]

THE ENVIRONMENT

Mr. Julian Reed (Halton, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

Why is the government taking a phased approach to implementing the Species at Risk Act? What are we doing in support of the stewardship provisions in that act?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, we are taking a phased approach to the act, most of which, by the way, came into force today, so we can have the assessment listing, recovery and stewardship programs moving forward as soon as possible.

We obviously have some important work to do to effectively synchronize with other legislation, for example, the Fisheries Act and the Migratory Birds Convention Act. Therefore the remaining provisions will come in one year from now.

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[*Translation*]

MICROBREWERIES

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, microbreweries in Canada and Quebec are having to deal with unfair competition from Canada's large brewers and from foreign small brewers who benefit from excise tax reductions. During the prebudget consultations, the Standing Committee on Finance unanimously recommended lowering the excise tax.

Does the minister realize that his refusal to lower the excise tax on microbrewery beer is putting the nails in the coffin of this new industry that employs 4,000 people in Canada?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, many recommendations were made by the Standing Committee on Finance before the budget was brought down. We adopted almost two thirds of these recommendations. However, it was not possible to do everything that was recommended. Microbreweries made an effort to explain the situation to members, but choices must always be made. There will always be other budgets.

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[*English*]

NATIONAL DEFENCE

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.): Mr. Speaker, the International Association of Fire Fighters has repeatedly asked the government to fund hazardous materials and weapons of mass destruction training for emergency personnel. Recent terrorist attacks clearly show that local emergency personnel, not the military, are frontline responders.

Why is the government refusing to provide $500,000 for a training program that will improve the ability of emergency response teams to handle a disaster or terrorist attack?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, the government, in the form of its agency known as OCIPEP, is very much involved in providing firstline responders with training. Indeed, that is a central feature of its occupation. These include firefighters, health workers and others across the entire system.

Additional resources in substantial quantities have been put into the budget since the 2001 budget. The agency is working diligently and fulfilling its responsibility.

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SOFTWOOD LUMBER

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, once again, my question is for the Parliamentary Secretary to the Minister for International Trade.

From coast to coast, can the parliamentary secretary name one province that agrees with the minister's ill-conceived softwood lumber sellout?

● (1500)

Mr. Murray Calder (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, the hon. member across the way knows, first, that we have always approached this from a two pronged strategy.

Prong number one is to put our case in front of the WTO and NAFTA. So far with the WTO it looks like we have been successful with that, and we will know in July with NAFTA.

The second prong has been to negotiate with the United States on the softwood lumber issue. By doing that we have been in full consultation with all the provinces, all the producers and all the industry holders to get the best deal possible.

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AIR INDIA

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

Ujjal Dosanjh, the former premier of British Columbia, said yesterday that CSIS treated the Air India crisis in a casual manner because it involved people from the south Asian community.

In light of this concern by a respected leader of the south Asian community, has the minister now reconsidered his decision not to hold a public inquiry into the Air India disaster at the conclusion of the current criminal trial?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, indeed, the former premier is a respected member of the community.

As I have indicated in the House a number of times, there was a major review both before and after the 1985 Air India bombing by the security intelligence review committee. It reviewed thousands of pages of documents, numerous personnel, including the commissioner of the RCMP at the time, and it laid to rest the problems that the member is trying to raise. There is no need for any such inquiry.

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INTERNATIONAL AID

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, the crisis of malnutrition and disease is reaching an epidemic proportion around the world.

Canada can play a very important role in helping alleviate this crisis and yet spending much needed funds in countries that can take care of themselves is a waste of precious resources.

Why does CIDA continue with this policy? Why?

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, Canada's foreign aid policy is targeted toward those countries that have poor people, people who are living on less than $1 a day, working to feed 800 million people who go hungry every day, recognizing that 1.2 billion people live on less than $1 a day.

We have introduced a new policy where we are focusing our efforts. We have introduced a number of countries where we are concentrating our efforts in a number of sectors.

The hon. member knows full well that we are working with poor people for sustainable development to reduce poverty, and that is the mandate of what we do.

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PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of hon. members the presence in the gallery of Dr. Cynthia Maung of Myanmar.

Dr. Maung operates a hospital on the Thailand-Myanmar border where she provides critical health care services to thousands of refugees from her country.

Some hon. members: Hear, hear.

[*Translation*]

I wish to inform the House that, because of the ministerial statement, government orders will be extended by 37 minutes.

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[*English*]

BUSINESS OF THE HOUSE

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, it is my duty today to ask the Leader of the Government in the House of Commons if he has checked with both his leaders and has their permission to give us the business for the rest of today, tomorrow and next week.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, that is a very powerful question. Yes, I have checked my agenda as to what work remains to be done. We all know that there is lots of work to do.

[*Translation*]

That is why, this afternoon, the House will return to its consideration of Bill C-15, the lobbyist legislation, followed by Bill S-13, respecting census records. We will then return to Bill C-17, the public safety bill.

I am sorry that this morning we were unable to complete our consideration of Bill C-7. Tomorrow, we will begin considering the Senate's amendments to Bill C-10B, the cruelty to animals legislation, and Bill C-35, the military judges bill. If we have any time remaining, I still hope we can finish with Bill C-7, of course.

Next week, starting on Monday, the House will consider Bill C-24, the elections finance bill, at the report stage, and any items from this week that have not been completed.

I wish to confirm to the House that Thursday, June 12 shall be an allotted day.

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● (1505)

PRIVILEGE

FIREARMS ACT

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, yesterday in the House an hon. member raised a question of privilege concerning the registration of firearms. I promised to get back to the House as soon as possible, which I am now doing.

As promised, I wish to give the House more information on the question of privilege raised yesterday by the hon. member for Yorkton—Melville.

[*English*]

The hon. member alleged that the Minister of Justice did not comply with a requirement under subsection 119(4) of the Firearms Act that requires the minister to table in the House a statement of reasons concerning certain regulations.

On December 5, 2002 the governor in council enacted four regulations under the Firearms Act. These were published in the *Canada Gazette* on December 18.

Subsection 119(4) of the Firearms Act requires the minister to table a statement of the reasons, which the marginal heading to the subsection describes as a "notice of opinion".

The Minister of Justice tabled the statement of reasons for these regulations and this is noted in the *Journals* of March 17, 2003. Under "Returns and Reports Deposited with the Clerk of the House", it states that pursuant to subsection 119(4) of the Firearms Act, a notice of opinion was laid upon the table for the above-noted regulations.

As further evidence, this notice is cited as Sessional Paper No. 8560-372-779-01, with which we are all familiar, and was permanently referred to the Standing Committee on Justice and Human Rights. In other words, the statement of reasons for all of these regulations was properly tabled and the Minister of Justice has fulfilled his statutory obligations under the Firearms Act.

As a result, I would suggest to the Chair that in fact there is no question of privilege before the House. The point is moot and should not have been raised to begin with.

The Speaker: I thank the government House leader for his intervention in this matter. Fortunately the Chair had done some research as a result of the question of privilege being raised and had discovered facts very similar to those alleged in the minister's statement. Accordingly, I find the question of privilege is not well taken and that is the end of the matter. I thank him for his assistance, as always. And the member for Edmonton North is always very helpful as well. All hon. members always strive to help the Chair.

We are resuming debate on Bill C-15.

GOVERNMENT ORDERS

[*English*]

LOBBYISTS REGISTRATION ACT

The House resumed from June 4 consideration of the motion in relation to the amendment made by the Senate to Bill C-15, an act to amend the Lobbyists Registration Act.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am very pleased to speak to Bill C-15, an act to amend the Lobbyists Registration Act.

We have dealt with the bill before in this place. It has been to the Senate and is back with an amendment. The amendment makes a slight improvement to the bill, but in our humble estimation, it does not go the distance required to ensure that we have before us a piece of legislation that does the task at hand and has provisions for the utmost transparency and the highest of ethical standards. Let us remember where the bill came from, why it is before us and what it was intended to do.

Members of the House will recall that back in the spring of 2001 the Standing Committee on Industry, Science and Technology held hearings on this matter and heard evidence from a wide variety of sources. The committee made recommendations to the House for the development of appropriate legislation in its report entitled "Transparency in the Information Age: The Lobbyists Registration Act in the 21st Century".

The question for us today is, does Bill C-15 actually do what the process intended to accomplish? Does it take us down the path of legislation that ensures absolute transparency in the work and dealings of lobbyists vis-à-vis government? Have we set the highest ethical standards in terms of this very important aspect of government? We all know how cynical people have become. Our constituents are suspicious of government because of their perception of undue influence by corporate entities, by big money interests, in our society today over the legislation and programming established by government.

This is a very important issue in terms of democracy and in terms of restoring faith in the democratic process. It is very important in terms of assuring the general population that we operate on the basis of the highest standards. I am afraid we cannot say that has been accomplished under the bill as amended by the Senate.

Certainly the bill accomplishes a number of important objectives. Bill C-15 proposes to close some loopholes in the lobbyist regulatory system under the federal Lobbyists Registration Act. Specifically the bill requires that lobbyists who are invited to lobby government will now be required to register. The bill also states that the registration requirements for in-house corporate lobbyists will require more detailed listings of employees who are lobbying. That is very good. The bill also states that because of an amendment made by the House of Commons, a lobbyist for a corporation or organization who had been a public servant, politician or other public officer holder, will have to disclose the past offices the lobbyist held.

Some important changes have been made. Certainly some are on the right path. We are going in the right direction. We are in the process of moving toward greater transparency and higher ethical standards in the whole area of government, but are we there yet?

● (1510)

By all accounts by those who observe this process very carefully and by those who are concerned about the future of democracy in Canada, we are not there yet. We missed the mark. The bill is not perfect and it should be perfect because, goodness knows, we are dealing with a fundamental aspect of parliamentary process and democratic faith in our system.

Let us be clear. Some very key loopholes still remain in Bill C-15. Those loopholes allow many lobbyists to escape registration, to hide key details about the extent and nature of lobbying activities. They allow lobbyists to have inside access and undue influence and weaken enforcement of the Lobbyists Registration Act and the lobbyists code of conduct.

These are significant loopholes and must be closed. Our caucus, all members of the NDP in the House have been saying that time and again. Our critic, the member for Windsor West, has been very diligent and persistent about ensuring that the bill is amended to reflect those very concerns.

Our member for Windsor West told the House time and again that the act fails to address the issue of compulsory disclosure. He has said, and we agree with him, that the act should include a requirement that anyone covered by a federal code of conduct, including ministers, political appointees, civil servants and lobbyists, disclose any wrongdoing of which they have knowledge. It is very important to point out that it has not been addressed by the government.

There is another matter on which the member for Windsor West and also the member for Winnipeg Centre have been very outspoken. It has to do with the matter of whistle-blower protection. The member for Winnipeg Centre has had legislation before the House. He has tried to convince this place of the need to have such provisions entrenched in law so that we have a way to give protection to those in our civil service who know of wrongdoing, who want to report that wrongdoing, but fear for their jobs and repercussions in their working lives.

The member for Winnipeg Centre, reinforced by the member for Windsor West and others, has said very clearly that there must be whistle-blower protection in the legislation. Of course it needs to be in this legislation. We are talking about lobbying. We are talking about those who can exert undue influence on government. We are talking about loyal members of our civil service who observe, know and learn about wrongdoing and who want to report that wrongdoing for the public good, to serve the public interest.

What is holding the government back from ensuring whistle-blower protection in the legislation? As my colleague for Windsor—St. Clair has said, what are they afraid of? What are the Liberals afraid of? Why is this absolute bottom-line requirement, this fundamental position for whistle-blower protection, not in Bill C-15?

Is it because the government is afraid of the results, the outcome of the possibilities that their civil servants, those who work in the departments, know too much, see too much and can do too much damage to the politicians in this place, to members and ministers in the government? Is that a possibility? Perhaps it is because when we get down to it and analyze what has been happening lately with the government and the whole area of public policy decision making, there seems to be an awful lot of undue influence by corporate and monied interests in our society today over the direction of the government's legislative initiatives and over serious propositions that would serve the public good.

● (1515)

I have seen it time and time again in the last little while that I have been here in this place, particularly during the time when I was serving as the health critic and had a chance to observe what happened to important policies and initiatives in Health Canada and how the Minister of Health refused to act on important initiatives. I want to provide a few examples because they are very important to this debate.

I want to begin with an area that should touch the hearts of every member in this place and comes very close to home, and that is the matter dealing with fetal alcohol syndrome. I say it touches this place because members in the House voted on a motion that I presented and almost all members supported it. The motion said that Health Canada and the Government of Canada should require labels on all alcohol beverage containers to warn women not to drink while pregnant because of the danger of causing fetal alcohol syndrome or fetal alcohol effects.

It was an important initiative and I was so delighted to receive the support of members from all political parties and to see the work that was begun by the member for Mississauga South who worked so long and hard on the issue of fetal alcohol syndrome was paying off, that we were making headway in this place and making good public policy.

That was two years ago when the House passed this motion almost unanimously. We expected, perhaps naively, that motion would form the basis for government action. Perhaps it would not be overnight. Perhaps it would take a few weeks, a few months, maybe even a year, but who would have dreamed that it would take a whole two years with still no government response or action? How could this happen? What could come in the way of a very progressive initiative that makes the difference in terms of our battle against fetal alcohol syndrome?

No one in this place, certainly not me or anyone in my caucus, left the impression that this measure was the be all and the end all in terms of fetal alcohol syndrome, but that it was one small step, one measure as part of a bigger package, to help us deal with a very serious problem, a problem that costs our society dearly in terms of financial expenses and personal consequences. It costs millions of dollars over the life of every individual suffering from fetal alcohol syndrome for all society. It costs us dearly in human terms and in financial terms, so every bit we can do makes a difference.

The proposal is to have labels on alcohol beverage containers, which, as we know, is done in the United States. It is required for Canadian beer brewers, wine producers and alcohol producers to put those labels warning of fetal alcohol syndrome on bottles we export to the United States, so it would not take too much to do it here in Canada. Yet the government has refused. The Minister of Health has said that she must study the matter before she can decide, even though this matter has been studied to death over the years. The evidence is in and it is clear that, as a measure which is part of a whole package of initiatives focusing on fetal alcohol syndrome, it is important and it matters.

The question for us today in the context of Bill C-15 is, what undue influence happened over the government and the Minister of Health to cause this important initiative to be put on hold and shelved? I think we can say with some certainty that there was influence from the alcohol industry on the government. There was pressure from the beer companies on that minister. How else can one explain something this important being put on the sidelines? I think there is lots of evidence to suggest that.

● (1520)

The member for Mississauga South a number of years ago worked hard to have this matter dealt with before the health committee, and he proposed Bill C-22.

In a book he produced after that period in our parliamentary history entitled *Fetal Alcohol Syndrome: The Real Brain Drain*, he said:

> There is no doubt that the alcohol industry killed the bill. They reportedly spent over $100,000 on lobby efforts... The Brewers Association announced that if the bill went through, they would withdraw their $10 million annual contribution to prevention programs that they jointly funded with Health Canada.

That sounds like blackmail to me.

An hon. member: And disgusting.

Ms. Judy Wasylycia-Leis: It is a disgusting period in our history if that is the case. It is disgusting if that is still the basis upon which the Minister of Health is making decisions and the government is responding to parliamentary directions. How in the world can something as important as measures that will help reduce fetal alcohol syndrome, be iced, be put on hold, because the Brewers Association threatens to withdraw all money it now puts into public education and fetal alcohol syndrome?

My goodness, surely this is the purpose of Bill C-15. Surely, we are here today to ensure that that kind of undue influence does not happen. Surely, we have to do everything in our power to prevent big corporate interests from determining what is good for the public and what is good for the common good. Surely, that is the purpose of Parliament and the purpose of legislation.

That is why we have to stop the bill today and send it back to committee to get some teeth put into it so we will have an absolutely transparent process to hold high to the people of Canada and tell them we have checks and balances in place to prevent corporations and money interests from influencing the government in the direction of public policy.

We do not have to look much further to see other problems in Health Canada and the government when it comes to big corporate interests. Let us look at the influence of big pharmaceutical brand name drug companies. How else can we understand the refusal of the government to allow the generic drug industry into the marketplace? How else can we explain the refusal of the government to simply rid the country of the notice of compulsory compliance? What else can explain the fact that the government will not give absolute guarantees that it will stop the automatic injunction process which allows big brand name drug companies to drag out the legal process thus preventing generics on the market for years after the 20 year patent protection provision?

Maybe we have to look at the money that goes into the Liberal Party from drug companies. Maybe we have to look at the influence that exists by drug companies, alcohol companies and cigarette companies on the government preventing it from taking decisive action.

In 2000 Biochem Pharma Inc. gave the Liberal Party of Canada $64,742. In 2000 Glaxo Wellcome Inc. gave the Liberal Party of Canada $39,333. In 2000 Canada's research-based pharmaceutical companies gave the Liberal Party of Canada $18,500. Perhaps now we can understand why the government refuses to do what is in the public interest and why it refuses to initiate legislative proposals that make sense from the point of view of the common good, the public good and the public need over private interest.

When I was discussing fetal alcohol syndrome, I failed to mention the kind of contributions the Liberal government has received from alcohol companies. Given the minute I have left, I would like to remind members in the House that in 2000 the Liberal Party of Canada received a total of $134,441 from beer companies and brewing companies. For example, the government received $50,000 from Molson Inc.; $30,000 from Labatt Breweries of Canada; $15,000 from La Compagnie Seagram Ltee.; $12,000 plus from Pacific Western Breweries Co. Ltd., and the list goes on.

● (1525)

There is a lot of money going to the Liberal Party which appears to be exercising some influence over the decisions of the government if one looks at basic policy initiatives like fetal alcohol syndrome and generic drugs on the market.

I go could on. I could talk about tobacco. I could talk about the influence of tobacco companies over the government's lack of determination to deal with the banning of light cigarettes and the fact that the advisory committee on tobacco has basically resigned because of the government's inaction.

I could talk about many things that point to the need for this bill, Bill C-15, to be enhanced and strengthened to ensure we have a transparent process and that we operate at the highest of ethical standards.

● (1530)

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, I just want to say to my colleague from Winnipeg that the comments she made at the beginning with regard to the Senate are ones that I share and I share the ongoing concern that we are involved in any way with legislation that is being held up or in other ways affected by that unelected, not responsible House and also very expensive House.

In this situation it sent back an amendment that might arguably be an improvement. Is it worth having it when occasionally it does something that is worthwhile?

Ms. Judy Wasylycia-Leis: Mr. Speaker, my colleague from Windsor—St. Clair raises an important question in the context of this bill. We are dealing with a piece of legislation that was initiated in the House of Commons, went through the process here, was sent to the Senate for approval, where that other place made a small amendment and sent it back to us for our consideration.

Notwithstanding the fact that this amendment makes a slight improvement to the bill, there are serious questions to be raised about the appropriateness of the Senate, with all its difficulties, problems and questionable activities in terms of the legislative process.

Members know that we in this party have long pressed for the abolishment of the Senate. We believe it is a place of patronage and convenience for the government in terms of appointments and it is a place that is costly and does not enhance our democratic process.

That fact is made even more strongly when we look at some of the conflicts of interest that senators find themselves in, in the pursuit of legislative amendments or in the development of public policy. I think specifically of the recent Kirby report and its attempt to outdo the Roy Romanow commission by presenting the blueprint with such speed and haste so the government would feel compelled to lump the Romanow commission and the Kirby report together as one and say that it had all these wonderful recommendations and that it would act on some of them. Of course it leaves the option for the government to do nothing.

In the case of the Kirby report we all have serious questions about Senator Kirby's ties to a personal care home and his interests in private health care. In fact in the end he did not take a firm, strong position against privatization of health care. We could clearly see the results of an aspect to our legislative process where there are no standards, in terms of transparency with respect to lobbying and there are real questions around ethical standards.

We have not only our initial reservations about the role of the Senate in the legislative process but we also now have real concerns about conflicts of interest and ties to corporate interests that do not enhance the legislative process. For those reasons, our case to do away with the Senate is made even stronger, and I would certainly support that today.

Mr. Joe Comartin: Madam Speaker, with regard to the legislation specifically, my colleague for Windsor West pushed very strongly at the committee stage when the bill was going through for full disclosure. My colleague from Winnipeg raised that in her address to the House today. She pointed to specific donations that were made to the Liberal Party.

I wonder if she could comment on whether the disclosure provisions that should be in that legislation should include disclosure provisions of donations made to leadership candidates given that we have at this point minimal disclosure from the leadership candidate for the Liberal Party, the member for LaSalle—Émard, and whether this might be a way of having those donations made public, if there were full disclosure under this particular legislation.

● (1535)

Ms. Judy Wasylycia-Leis: Madam Speaker, my colleague, the member for Windsor—St. Claire and the environment critic for the NDP caucus, has raised an important aspect to Bill C-15, the issue of full disclosure.

With respect to the general disclosure provisions, we have identified serious weaknesses and have proposed amendments. We believe the legislation needs to be changed and enhanced to require lobbyists to disclose their relationship with those they are lobbying, and that the act should include provisions that would require past or current work with government, political parties or candidates for public office.

Obviously we are concerned about politicians being lobbied by their former campaign managers. We see this as a conflict of interest for which there currently is no requirement for disclosure. It is a very important issue now.

Applying that to the present situation in terms of leadership candidates who are also members of the government and cabinet ministers, I would say to my colleague that it is absolutely imperative for this legislation to be comprehensive and to cover all circumstances.

We absolutely do want to see donations to leadership campaigns covered in some way or another with respect to this kind of legislation.

Whether we are talking about the member for LaSalle—Émard and the whole issue of policies that would enhance the steamship company, or whether we are talking about the Minister of Finance and raising serious questions about the fact that he appears to have received significant contributions from brand name pharmaceutical companies, they are legitimate concerns. They have to do with public policy. We would have to question whether, for example, the Minister of Finance is in a position to review regulations pertaining to the drug industry.

It would appear, based on what we know in terms of donations to his campaign, that he is not in a position to do that. He is in a conflict of interest position but he refuses to accept that difficult position. His supporters and his staff refuse to acknowledge that dilemma.

It is incumbent upon us as parliamentarians to raise the issues in the context of this bill and to make changes to Bill C-15 which will reflect that kind of scenario. We also need to draw to the attention of all parliamentarians the very serious possibility for conflict of interest happening as a result of leadership candidates receiving big money, huge donations from corporations, from pharmaceutical corporations, from energy corporations, from oil and gas companies, from banks, from big entities that have so much influence over the government and even more influence now because of candidates who are on the front bench of the government making important decisions.

That is a serious issue and it must be dealt with. I hope it is in the bill.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Madam Speaker, I am pleased to make comments on Bill C-15 with respect to lobbyists.

We have heard it mentioned by many people how important it is that lobbyists not be in a position to disrupt the parliamentary process or to exert undue influence on parliamentarians. However I have to observe that lobbyists are not the only ones who do this. Many people exert undue influence on Parliament and disrupt the parliamentary process.

At the beginning of this Parliament, opposition members encountered tremendous difficulty with respect to Bill C-7 amendments due to the draconian measures brought in by the government House leader, and the government's dismissive view of the decisions of the House, ignoring such things as the motion for Taiwan's bid for observer status at the World Health Organization, and the motion respecting the return of the Parthenon Marbles to Greece from Britain.

Just yesterday the Solicitor General disrespected the sub judice convention, and today the Minister of Transport indicated that he would override the decision of the Standing Committee on Transport and reinstate $9 million to VIA Rail. All of these things disrupt the parliamentary process.

One of the members who spoke recently said that we should do everything in our power to ensure that we stop the exertion of undue influence and disruption in the House. In keeping with that, I move:

That this House do now adjourn.

● (1540)

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

● (1615)

Before the taking of the vote:

Right Hon. Joe Clark: Mr. Speaker, I rise on a point of order. Amid all the jocularity here and the shouting across the floor, we have rules for a reason. The rules and practices in the House are that when the whips of the two parties take their places—

Some hon. members: Oh, oh.

Right Hon. Joe Clark: I now understand why that caucus is so difficult to lead.

Some hon. members: Oh, oh.

The Deputy Speaker: I cannot deal with the question if I cannot hear it. The right hon. member for Calgary Centre.

Right Hon. Joe Clark: Mr. Speaker, I will be brief, given a chance. The practices of the House have been quite clear, that after the whips of both sides take their places, people who come in to take their seats afterward to vote should not be allowed to vote. That should be applied equally to both sides of the House. There may well be some members here who would have to absent themselves from the vote but there are at least seven members on the government side who came in after the whips had taken their places. There may be as many as 12. That could have a material impact on the result of the vote and if there is allowed to be too much flexibility with these rules then these rules become a joke, the House of Commons becomes a joke , and the votes become a joke.

Hon. Don Boudria: Mr. Speaker, I can understand why the right hon. member has such a thing about counting votes but that is not the rule of the House. The rule of the House has to do with when the Speaker reads and puts the question now, not when the whips come into the House. That has been the process from time immemorial, and the most recent invention by the right hon. member, had he used it in 1979, probably would not have changed a thing.

The Deputy Speaker: I draw members' attention to Marleau and Montpetit on page 493 under the heading "Decorum During the Taking of a Vote". I will go to the second paragraph, which states:

> Members must be in their assigned seat in the Chamber and have heard the motion read in order for their votes to be recorded. Any Member entering the Chamber while the question is being put or after it has been put cannot have his or her vote counted.

● (1625)

(The House divided on the motion, which was negatived on the following division:)

(Division No. 181)

YEAS

Members

Ablonczy	Anders
Anderson (Cypress Hills—Grasslands)	Bachand (Saint-Jean)
Benoit	Bigras
Bourgeois	Cardin
Chatters	Clark
Comartin	Crête
Dalphond-Guiral	Day
Desjarlais	Desrochers
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseth
Gagnon (Québec)	Gagnon (Champlain)
Gagnon (Lac-Saint-Jean—Saguenay)	Gallant
Gauthier	Girard-Bujold
Goldring	Gouk
Grewal	Grey
Guay	Guimond
Harper	Hill (Macleod)
Jaffer	Johnston
Keddy (South Shore)	Laframboise
Lalonde	Lanctôt
Loubier	Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough)	Martin (Winnipeg Centre)
Masse	Ménard
Meredith	Merrifield
Nystrom	Obhrai
Pallister	Paquette
Penson	Picard (Drummond)
Rajotte	Reid (Lanark—Carleton)
Ritz	Sauvageau
Schellenberger	Schmidt
Skelton	Sorenson
St-Hilaire	Stinson
Tremblay	Vellacott
Wasylycia-Leis	White (North Vancouver)
Williams	Yelich– — 72

NAYS

Members

Adams	Allard
Anderson (Victoria)	Assad
Bagnell	Bakopanos
Barnes (London West)	Bélanger
Bellemare	Bertrand
Binet	Bonwick
Boudria	Bradshaw
Brown	Bryden
Byrne	Caccia
Calder	Caplan
Carignan	Carroll
Castonguay	Catterall
Coderre	Collenette
Copps	Cotler
Cullen	Cuzner
DeVillers	Dhaliwal
Dion	Drouin
Duplain	Easter
Eyking	Fontana
Fry	Godfrey
Goodale	Graham
Harb	Harvard
Harvey	Hubbard
Jackson	Jennings
Jordan	Karetak-Lindell
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	Lee
Leung	Macklin
Mahoney	Malhi
Maloney	Manley

Marcil
McCallum
Minna
Murphy
Neville
Pacetti
Patry
Pickard (Chatham—Kent Essex)
Pratt
Redman
Regan
Rock
Scherrer
Simard
St. Denis
Thibeault (Saint-Lambert)
Tonks
Valeri
Wappel
Wilfert– — 101

Marleau
McKay (Scarborough East)
Mitchell
Nault
Owen
Paradis
Peschisolido
Pillitteri
Proulx
Reed (Halton)
Robillard
Saada
Scott
Speller
Thibault (West Nova)
Tirabassi
Torsney
Vanclief
Whelan

PAIRED

Nil

The Deputy Speaker: I declare the motion defeated.

[*Translation*]

It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Saskatoon—Humboldt, Employment Insurance.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, it is a pleasure to speak on Bill C-15, an act to amend the Lobbyists Registration Act. The purpose of this bill was to more clearly define lobbying, to reinforce various provisions in the Lobbyists Registration Act and also to simplify registration requirements.

The bill makes no substantial amendments to the Lobbyists Registration Act, despite the amendment currently before the House. This amendment originates in the Senate and is in keeping with what the Bloc Quebecois had proposed. The Bloc Quebecois filibustered for quite some time in order to get this amendment included in the bill.

I pay tribute to the senators, whose amendment reads as follows:

> 1. Page 4, clause 4: Add immediately after line 15 the following:
>
> "(*h*.1) if the individual is a former public office holder, a description of the offices held;"

This Senate amendment respects what the Bloc Quebecois has been saying since this bill was first introduced. Where we particularly fault the Lobbyists Registration Act is that the concept of intensity of lobbying has been dropped from it.

The amendment does not give us any idea of the intensity of the lobbying of the Government of Canada, such as the amount lobbyists receive in fees, or the positions of the people they lobby.

In reality, what we wanted from this bill—when we talk about improving control of lobbying activities on Parliament Hill and in departments—is to know how intense the lobbying is and anything related to this intensity; in other words, the lobbyists' ability to influence major decision-makers whether it be senior officials or ministers themselves.

Who are the lobbyists? I think they have become an urban legend. People still wonder what a lobbyist is. In this bill we would have liked to see a clear definition of what a lobbyist is and what ability they have to influence decisions. We would have liked these definitions to be included in the bill and presented to the House of Commons.

That is the most important thing. What is the relationship between this lobbyist and the government, certain government representatives, MPs, ministers or deputy ministers? That is what is important. Let us not forget that this is a bill on lobbyists. I would have liked to see a clear and unambiguous definition of the term lobbyist.

However, we are left unsatisfied, as with most bills the government introduces. We, the opposition parties, go to committees to try to improve the bills that are proposed to us. When we attend committee to discuss a bill, we try to give the government a sense of how the average citizen feels about such a bill and determine what impact this bill will have on people's daily life. That is the opposition's role. That is what all Bloc Quebecois members set out to do in committee. We do not see members of the governing party in committee very often.

● (1630)

Most of the time, we have quorum because of the opposition members. They are the best attenders; they are the ones who raise questions along the lines of "What does he mean by that? Why this provision in this bill? What does this mean for the average person?"

This bill, with a clear definition of lobbyist, would have reassured a lot of people. All of a sudden, when the topic of lobbyists comes up,—you know how it is—people wonder what the term means. They imagine something dark and shadowy, something done behind the scenes, in darkened rooms. People do not know what lobbyists do, and what their connection is with the decision makers. These are the sorts of things people wonder about.

That is where the public should have been given some reassurance, so that they could look forward to some transparency in government. One wonders whether this government even knows the definition of transparency.

When we were young, we used transparent tracing paper in order to practice good writing, and in order to keep a copy of what we had done. Today, however, with this government, I would certainly hesitate to say that transparency is the order of the day.

In June 2000, the Bloc Quebecois tabled a dissenting report on the Lobbyists Registration Act. This report set out the principles that should be respected when amending the act. These were very clear principles, and aimed at ensuring transparency. Unfortunately, there are times people need to have the mirror turned back on themselves so they can see their true nature. When we see our definition reflected in the mirror, we see what others see in it, which we cannot if the mirror is directed elsewhere.

With these amendments, the Bloc Quebecois would have liked to have seen included in this bill a provision for lobbyists to disclose their meetings with a minister or senior official, and specify the department concerned. This is important.

When I came to Parliament Hill six years ago, I was surprised to see how many lobbyists there were. Most of the time I ran into them just by chance. I wondered whether they were also MPs, or just what they were. Everyone was after me, asking questions, approaching me to discuss this or that issue. You know, where I come from, in Lac-Saint-Jean—Saguenay, we all know each other. Here, however, I could not tell who was who.

But I have learned that here on Parliament Hill, there are all kinds of lobbyists in all areas. I often see them going to eat with members. You do not talk about the weather when you dine with a lobbyist who specializes in a certain area; you may talk about gas pricing if the lobbyist works for an oil company, or he or she may represent pharmaceutical companies. They all do lobbying for big corporations.

I have seen a lot of them. I thought it would be good if I knew who they were. If they had been listed in a registry, I would have liked that.

In June 2000—three years ago now—the Bloc Quebecois also recommended that lobbyists disclose how much money was spent on their lobbying campaigns. It is still a very grey area. Certainly this bill would improve matters, but I would have liked it to be even more transparent.

The Bloc Quebecois also recommended that consultant lobbyists and in-house lobbyists disclose their fees. This is important. I heard witnesses before the Standing Committee on Industry, Science and Technology tell us, "How do you expect us to do that? We do not know exactly how much time we spend on a given file. It would involve far too many calculations". That is part of transparency.

Perhaps they enjoy what they do and they work to further a cause. I do not think that all the work they do is bad, quite the opposite. As parliamentarians, we cannot specialize in every area. It is legitimate that they meet with us.

● (1635)

They share their vision with us and we can discuss with them. I have nothing against that. I have no problem with that, unlike what goes on behind closed doors.

Also, the Bloc Quebecois recommended that a provision explicitly prohibiting any sort of conditional fee, regardless of the activity performed, be included in the bill. That is another major element.

The Bloc Quebecois recommended that consultant lobbyists as well as in-house lobbyists be required to disclose the positions they have held and corresponding periods of employment in a federal administration or political party; unpaid executive positions with political parties; the number of hours of volunteer work done for a party, a leadership candidate or riding association, when in excess of 40 hours per year; terms served as elected representatives at the federal level; election campaigns in which they ran unsuccessfully; and contributions to the various parties and candidates.

In this respect, it would be extremely important to know how much they are contributing to political parties. We know that, at the federal level, there are such things as slush funds. I look forward to the political financing bill being passed, as imperfect as it may be. It is modeled after the legislation passed by the Government of Quebec under the late René Lévesque. It ensures transparency and provides a legislative framework allowing elected representatives not to be bound by the power of the purse.

When I was young, my mother would tell me, "Money is good as long as it is used in a constructive manner. It can be as dirty as it can be good". I would have liked these lobbyists to include in their reports the amounts donated to political parties, or to individuals for running in a leadership race or an election, or campaigning in their ridings.

We in the Bloc Quebecois are committed to the legislative framework put in place by René Lévesque, which provided that any source of money must be disclosed, because such is our will as a political party. Still, we cannot receive more than $3,000 from businesses, and there is also a cap on donations by individuals.

That is what we ought to have seen in this bill on lobbyists; the obligation to disclose the amounts of money they give to politicians' election campaigns.

Today, I was surprised to find that my popularity rating is lower than that of a used car salesman. Finding that out is quite a blow to our egos. Nevertheless, I think that we could have used this bill to improve our popularity with the public. I think that this is what the public wanted. I think it is terrible that government did not agree to include this amendment in the bill.

In addition, the Bloc recommended in June 2001—two years later—that the conflict of interest code for public office holders should become a statutory instrument, and that it should be reviewed by a committee of the House of Commons, so as to avoid any abuses. In that way, the post-employment restrictions on holders of public office, if discussed in committee, would be subject to sanctions in cases of violation.

The issue was to know whether this legislation would really help us attain our objectives. This is not just about allowing the House of Commons to appoint an independent ethics commissioner. It is also about giving that commissioner regulations with some teeth to enforce.

It is all very well to have beautiful icing on a wonderful cake, but when the icing is removed, there are sometimes some big surprises. This should have been in the legislation so that the ethics commissioner had regulations with some teeth to enforce.

● (1640)

Sometimes, people are granted powers, but they are not provided with the means to be transparent. We would have liked this to be included in the bill too.

Quebec has legislation regulating lobbyists, and this government would have done well to look to it as an example, particularly with regard to various points that the Bloc Quebecois has also mentioned.

Quebec's legislation on lobbyists is very specific with regard to transparency and ethics. It does not require disclosure of each meeting with public servants and ministers but, in their return, lobbyists must disclose the nature of the duties of the person they have communicated with or intend to communicate with, as well as the institution where this individual works.

The current federal legislation requires only the disclosure of the name of the government department or agency. Why does this legislation not go further? The names and duties of all those individuals met should be included in the registry.

Quebec's legislation states that consultant lobbyists must disclose the value intervals, less than $10,000, $10,000 to $50,000 and so forth, to indicate what they receive for lobbying. There is nothing about this in the bill currently before us. It is a legislative framework that imposes guide posts.

In terms of prohibiting any form of conditional fees, Quebec's legislation states that no consultant lobbyist or enterprise lobbyist may act in return for compensation that is contingent on the achievement of a result or the lobbyist's degree of success. This legislation is very specific with regard to a number of very sensitive issues related to lobbying. But in the government's proposed bill, no such specifics are provided.

In terms of the disclosure by consultant lobbyists or in-house lobbyists of the positions held or corresponding employment periods, indicated in Quebec's legislation, no such mention is made in the federal legislation.

In Quebec, consultant lobbyists have to indicate in their initial return the nature and term of any public office they held in the two years preceding the date on which they were engaged by the client. As for organization lobbyists and enterprise lobbyists—referring to electoral agencies—they must disclose the nature and term of any public office they held in the two years preceding the date on which they were engaged by the enterprise or group of any public office they held. This bill contains no such provisions.

To conclude, it must also be said that this bill is an improvement. Yes, it must be acknowledged. However, I often tell my constituents in the riding of Jonquière that the process for passing legislation is very long. It is excessively long at times. Often, when we pass legislation we are already behind in terms of meeting society's needs.

I would have liked this bill to be proactive and open-minded. There is so much new technology and what is new today is obsolete tomorrow. I would have liked to see more foresight in this bill because it will a long time before new lobbyist legislation is drafted again. We will always be behind the times and that is why legislation to ensure transparency must be passed to protect people.

● (1645)

[*English*]

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I wish to thank the member for her insights into Bill C-15, the Lobbyists Registration Act.

I think many of us on all sides of the House feel that Bill C-15 does not go far enough. We would like to see it go even further. I appreciate some of the suggestions she made.

I would like to take this opportunity to comment on the amendment before the House and remind the House that it is an improvement on an amendment that was put forward at report stage by a government member. It was an unfriendly amendment. It was subsequently found by the Senate to have merit. The Senate improved upon it and that is why we have this debate before the House.

In saying all of that, I would like to acknowledge to the House the contribution of the member for Edmonton Southwest. I must say that at the time this member put forward the original amendment he alerted me to the fact that there was a flaw in what I was doing. In fact, I had put forward two amendments. He walked across the aisle and advised me, with courtesy, that I needed to make this change.

I then sought unanimous consent for the change. It enabled the final amendment that was put before the House to succeed among the members on this side and the members on that side.

While the House has to be partisan—and we have to have an opposition and a government side, and sometimes we have to clash in debate—the important thing to remember for all Canadians and all who are watching is that often, and it is not seen, we can cooperate in the public interest. And this was a fine example of that. I would like to acknowledge and thank the member for Edmonton Southwest for his contribution on this particular occasion.

[*Translation*]

Ms. Jocelyne Girard-Bujold: Mr. Speaker, yes, that is true. I will admit that government members can make improvements. However, I would also like it if government members could return the favour. Often, opposition members move amendments in committee, but because the amendment comes from the opposition, the government rejects any improvements.

Yes, I agree with him and I, too, would like to thank the member for Edmonton Southwest. It is true and I said so at the beginning of my comments.

However, I would like it—and I am happy that you raised this issue—if you could also be open to what we propose in order to ensure that legislation remains grounded in the reality of the constituents that we are here to defend.

● (1650)

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I listened attentively to the excellent comments made by my colleague, the member for Jonquière, who explained the problem of lobbying and our wish to regulate this important work.

However, people often have the impression that lobbyists have more power than members. I think that she explained that this may be more than simply an impression; it is often true.

We ask questions here in the House about issues that are important to the public. Take the issue of gasoline pricing, for example. We know, everyone knows, but the public is convinced—and rightly so—that there is an agreement and collusion between the oil companies. It is not possible that they all decide to increase the price of gas at the same time, at the same hour, without there being an agreement between the companies. The government tells us that there is no agreement and that investigations show that everything is above board.

I would like it if the member for Jonquière could tell me if there is not a danger in how lobbying is carried out and the government's lax attitude in tolerating things that should not be tolerated and that certainly do not benefit consumers. I would like to hear her thoughts on this and on gas pricing.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I thank my hon. colleague from Champlain. What he is describing is a case in point; it has led to a parliamentary committee being set up to hear witnesses.

Someone in my riding, namely Claude Girard, who used to be a retailer, the director of the Corporation des camionneurs en vrac de la région 02 affiliated with the Association nationale des camionneurs artisans, testified before the Standing Committee on Industry, Science and Technology that there is a lot of collusion. He said he received calls, saying ,"All of you will be increasing your prices at the same time".

That is what he told us parliamentarians. The Minister of Industry, who has responsibility for the Competition Bureau, has said repeatedly that gasoline is a provincial jurisdiction. As far as I know, he is the one responsible for the administration of the Competition Act. I maintain that their commissioner of competition does not have all the tools he needs to enforce the Competition Act.

Under section 10 of the Competition Act, the Minister of Industry could tell the commissioner he is giving him the necessary powers, and the commissioner could initiate a study. This study must not be conducted by anyone sitting on a committee looking into fuel prices. It should be handled by an independent committee which would look at what the fuel prices issue is all about. The minister will not have it.

That is what has got people talking. It is true that we are not supposed to say this, but I say it: there is collusion in this whole business. The Minister of Industry must take his responsibilities and allow an independent study into what is going on with fuel prices.

[*English*]

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, it is a bit of segue from Bill C-15, the Lobbyists Registration Act to be talking about the influence of lobbyists and the notion of gas prices. I would counsel my hon. colleague to be very cautious about using words like collusion. I think that is a very serious charge.

I would also like to point out to the House and ask the member to respond to the fact that there have been 17 investigations done into the gas price issue and into the oil industry that have found no collusion.

Recently the parliamentary committee of which I am a member heard from the competition commissioner, who is certainly a very independent authority, who stated very strongly that there has been no evidence whatsoever of collusion. We heard from M. J. Ervin and Associates, the recognized expert on gas prices who said as well there is no evidence of collusion. The people who came forward and said there was evidence that there was frankly had no statistics. When they responded to me they said "We talked to people in the industry. We cannot tell you who they are but we sure know it is there".

I would counsel my colleague to be very cautious. As hesitant as I am to actually agree with the industry minister, on this issue I think he is correct to not take action and to follow the advice of the competition commissioner, the Conference Board of Canada and the 15 other studies to date that have said that there is absolutely no evidence of any collusion within the industry.

● (1655)

[*Translation*]

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I sit on the same committee and I complained to the commissioner of competition that there has been collusion. Do you know how the commissioner answered? He told me that according to the law, there had to be oral or written evidence for him to be able to launch an investigation. That is an old-fashioned notion. The hon. members know that today things can be done through the Internet and in many other ways.

This bill has to be updated. The concept of oral and written evidence has to be updated. This legislation has got to have more teeth. Moreover, it is based on a report from the Conference Board, and we know that the oil companies sit on that board, that they are judge and jury. There are many more things to say on this subject and I think we will have another chance to debate it.

[*English*]

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I am glad to follow the type of questioning that has just taken place. As I was listening to our colleague from the Alliance speak in response to my colleague from the Bloc, I could not help but think that if it looks like a duck and walks like a duck and talks like a duck, it must be a duck. It might just be a duck.

When literally millions of Canadians notice from coast to coast to coast that on certain holiday weekends the price of gas spikes right up because people are travelling, we do not need to be rocket scientists to think that maybe the companies got together and raised the prices to make some extra money. It is not because they went out there and got a more expensive little barrel of gas or oil, or whatever.

The bottom line is Canadians are tired of this kind of an attitude. They are tired of the attitude that because organizations like the Conference Board of Canada are run by business people, they absolutely have to be trusted and that other Canadians who are saying that this is a problem cannot really be trusted because they do not know anything, because they are not business people. We listened to that with Enron and WorldCom. People now realize that sometimes business people are not really up front and honest. Those are the ones we need to target, just like the lobbyists who are out there putting little pressures here and there along the way to get things working on their behalf, instead of on behalf of Canadians as a whole. That is the issue here.

An hon. member: Whose side are they on?

Mrs. Bev Desjarlais: Exactly. Whose side are they on? Throughout the course of today as a number of things have come up, I have been led to think along this line. There have been comments that we are here in Parliament and to make sure that businesses can operate. Well, we are here in Parliament not just to represent business. We are here in Parliament to represent individual Canadians.

Ultimately, what we all should be doing is not putting in place rules and regulations or plans so that business has a marketplace to deal with, we should be making sure that we have a consideration of humanity, of civil rights, civil liberties and of improving conditions for individuals. That is what we should be here for. If that means we have to put some rules in place so that people are not just looked at as being a marketplace, then it is important that we do that. It is not a business, contrary to what people in some parties believe. It should not be the businesses with the big dollars and the lobbying behind the big dollars electing governments. It should be individual Canadians.

On the Lobbyists Registration Act, I was actually the industry critic for a period of time and had firsthand knowledge of what was coming before us. I heard the concerns about how lobbyists come in and only certain people are registered. There was concern that maybe high level public servants who get lobbied should also be noted and kept track of because it has an indication as to what kind of policy government departments may come up with. That made absolute sense to me. If people from corporations or other interests are coming in and talking to the head of a business or department and they are trying to direct the way public policy or a certain bill goes so that it benefits certain people or companies, then we need to look at that. It is a very serious issue.

● (1700)

We heard numerous comments today about the pharmaceutical companies that put big dollars behind certain political parties. I have to say that Canadians I talk to believe that the drug companies' giving dollars to certain political parties is the reason that the drug patent legislation was extended. I wonder why they think that. Back to the old saying that if it looks like a duck, walks like a duck, talks like a duck, it must be a duck. I am not talking about 5, 10 or 100 Canadians; millions of Canadians believe that they were sold out by a government that took the benefit of large drug corporations before the benefit of Canadians being able to operate a health care system and obtain their medications at a reasonable price.

I am not, nor is anyone in my party, saying that business should never make a profit. That is not the case at all. It never has been. What we do say is when business puts in place laws or does things in such a way that it wants huge profits, and I am talking sometimes 1,000% profit, that is not acceptable, not at the expense of individual Canadians. That is not acceptable.

Let us face it, at one time there were loan sharks who did that kind of thing. We brought in rules saying that only certain types of institutions could loan money and they would not be allowed to get too out of hand. The other ones were illegal, the loan sharks. It was similar to an underworld criminal activity. Right now it seems that we almost have legalized loan sharking because there are no rules to rein them in. They have gone totally overboard with pricing and in some cases the lobbying has made a big difference.

I know it drives some of our colleagues crazy because they want to say that the NDP does not want business to make a profit. They want to say that these pharmaceutical companies will not survive, that they are honest, up front and would never mislead. That is not the case.

I want to tell the House what five major pharmaceutical companies did by collusion on a certain additive to medications. They did this for a number of years. The only reason one of them got off the hook was it squealed on the other ones so it would not get the fines. I will not bother naming the names of those pharmaceutical companies, but I certainly can make them available to those who do not believe it is true.

It is not a matter of having to believe them just because they say they need that extra money to make a dollar. Greed at any level is not acceptable. Profit beyond a reasonable amount is not okay. One of the things we have to do with the Lobbyists Registration Act is ensure that it has some teeth so that kind of meandering cannot happen with politicians. There cannot be that kind of forcefulness in the way of "You scratch my back, I will scratch yours and everything will run fine". That is not acceptable.

The Lobbyists Registration Act probably highlights to a number of people the Prime Minister's election financing act. I have to admit that people have some issues with parts of it. It is being touted as the Prime Minister's legacy before he leaves.

As much as some people might not like bits and pieces of that legislation because it might benefit someone else in the next election or whatever, the bottom line is that it is getting support out there from Canadians. It is responding to an issue where people have felt that there is too much money swaying people to get into politics and swaying their decisions once they get here. It is having an effect on the legislation that comes out of Parliament. It is having an effect on the way money is spent within our system and wasting taxpayers' dollars. We have heard of numerous instances like that.

My colleagues from the Alliance have commented on numerous occasions about how much money Bombardier gets, how much money it gives to the Liberal Party and that kind of lobbying that happens. That is happening not just with Bombardier. It is happening with others as well. It is happening with individuals. There are individuals out there who like power as well.

● (1705)

The lobbyist registration act falls right along the line with the Prime Minister's legacy act, the elections finance act. Although it may not be perfect, quite frankly there are Canadians out there who want to see some rules put in place so we do not have that kind of unlimited resources manipulating politicians when they get into office. Canadians want to see that.

I admit I get funding from individuals and unions. It will make my job tougher when I go out fundraising. However I am not afraid to say that without that funding I will not be able to make a go of it because I will make a go of it. If it is the same for all of us, we can do it. It is important that the same rules are in place, that we follow them and we accept that the perception of politicians among Canadians is not a good one and we need to improve that.

As I said, I kind of tie the two acts together and I am glad I have had the opportunity to make a few comments on the lobbyist registration act, and I look forward to the continued debate.

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Mr. Speaker, I was on the industry committee that studied gas prices too. One of my observations was that some of the highest priced provinces in Canada were in the NDP socialist provinces. Saskatchewan was one of them. Close to 40% to 50% of the costs of gasoline in some provinces is taxes so governments are part of this problem as well.

However one thing I do recall was a report that was filed at the industry committee which said that Canadian gas prices were the second lowest prices in the whole world. If high federal and provincial taxes were eliminated and they were on par with the United States, we might even have the lowest gas prices in the world.

Now that seems to me to be pretty strong evidence that things are working reasonably well in Canada, to have the second lowest gas price in the world. I know a lot of European socialist countries have gas prices that are four and five times as high as we have in Canada. France probably has prices four and five times as high as Canada.

How can the member say we have collusion in the country when we have the second lowest gas prices in the world?

● (1710)

Mrs. Bev Desjarlais: Mr. Speaker, I would suggest that they could probably be the lowest if we did not have collusion at any given time when the prices of gas seem to change, without any change in the bulk price or bulk sale.

As far as the tax goes, I am not going to stand up here and apologize for Saskatchewan or Manitoba if they have higher gas prices because I also know that some 90% of those gas taxes go back into the infrastructure in those two provinces. Saskatchewan is probably the province with the greatest number of kilometres of roads within the province to maintain as the result of cuts to railways in Canada.

Farmers are the people we so much want to support, yet numerous Alliance policies have had detrimental effects on farmers in western Canada and throughout the whole country. Cuts to grain subsidies and cuts to the rail lines have had an extremely drastic effect on farmers in western Canada.

The provinces have had to pick up and support those farmers, their people and the infrastructure for which the federal government does not do a darn bit. I am not going to apologize for NDP governments. They use their taxes and put them back into services for the people of their provinces. The election in Manitoba showed that Manitobans do not mind paying those taxes if it is going back to infrastructure in their province and if it is going back to provide services. It is when we do not get the services that we make an issue about it.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I want to congratulate my hon. colleague from the NDP for her excellent speech.

Sometimes the truth can be shocking and the hon. member spoke the truth that really needed to be brought out. All of the issues she mentioned are being talked about by the general public, and we should open up the debate so the ordinary people can make themselves heard.

How do the hon. members from the Alliance feel about this? The hon. members on the benches of power are quiet; that is certainly a surprise. When you hear someone crying wolf, it is not always wise to trust them.

I would like to ask the hon. member to elaborate on her claims with regard to the price of gasoline. I am in complete agreement with her because, in Quebec, 99% of the gasoline tax is invested in highway improvements. The federal tax includes an excise tax of 10¢ and a special tax of 1.5¢ to pay down the deficit, and there is also the GST, not one cent of which goes toward improving the highway system, even though the Federation of Canadian Municipalities has asked that $15 billion be invested over the next 10 years.

I would like to hear her comments on this.

[*English*]

Mrs. Bev Desjarlais: Mr. Speaker, once again to emphasize, Manitobans showed that very strongly on Tuesday. They support a government that ensures services are provided. I think Canadians overall do not mind paying their fair share. If the federal government was providing services for Canadians like it did once upon a time, a long time ago, we would not have people upset about paying some taxes. It is when the services are not provided.

The government failed for years to put enough dollars into health care, and it continues to fail to put enough dollars into infrastructure. The Federation of Canadian Municipalities has stated that it wants to see more dollars go into that. I know it is a leadership thing, and we have heard to promises that they will get all this infrastructure money. They have a guarantee from one of the leadership candidates, and not so much of a guarantee from another one.

With all the promises being made however, the person making the really huge promises is the former finance minister. He was the one who said that they would not get any of the money, that he wanted it. He wanted to have a surplus in the EI fund. He wanted to use the CPP pension dollars. He wanted to pay down the debt. He did not want to give anything back to Canadians. As a result we have a crisis in infrastructure throughout the nation, certainly in first nation communities. Whoever become the prime minister, It will take an awful lot to fix the mess.

● (1715)

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I am pleased to speak to this bill on lobbyists. The first question that comes to mind is how it is that we have a bill on lobbyists now, in 2003.

If we have such a bill, it is because the lobbyists have become so important to the way this Parliament operates that we now need to regulate them. That is the problem.

If they have become so important, it is because the MPs, the ministers, the decision-makers, and particularly the MPs of the party in power for the past 40 years have not played their proper role. They have avoided discussing issues and have not defended their constituents, the consumers against big business, but have let private individuals do it for them instead. That is the problem.

The problem is that we are here today discussing lobbyist legislation on which, not having much choice, the Bloc Quebecois will probably vote yea. But it is still an unfortunate situation. Whom do lobbyists defend? The ordinary consumer, the public, the majority of the people in our ridings? No. Most lobbyists are looking out for big business, and that is the problem.

I will give just a few examples, starting with the banks. I am an MP of the class of 2000, in other words the last general election. The first matters raised in this House that I found of interest related to credit card interest.

From time to time, MPs introduce private members' bills or motions in an attempt to bring the banks back into line, as they keep on making taxpayers' lives miserable with stupendously high interest rates on credit cards.

In the three years I have been here, interest rates on department store credit cards has gone up 1% a year. During that same time, MPs here in this House have been tearing out their hair and commenting "Look, this makes no sense whatsoever". That is true. The same thing goes for the major banks, with their 19% credit charges as I speak. While the interest rate in Canada has never been as low, the banks and department stores have again managed to convince the members, the government, that they still need to charge exorbitant interest rates.

There are discussions and debates in the House about this. Why do we never manage to vote on these motions and bills? It is because lobbyists make representations to the ministers and government members so that in the end it is impossible to regulate credit card interest rates.

I cannot believe it. It is really something. For the past 40 years, the members have relinquished their powers to lobbyists. They prefer to see people working for them. I understand my hon. colleague from Jonquière. The hon. member has been here for several years, I believe.

Mrs. Jocelyne Girard-Bujold: Six years.

Mr. Mario Laframboise: Six years now. In this Parliament, we have met all kinds of people who are not members, but they are here. They often have titles such as government affairs officer; they are responsible for an enterprise related to governmental affairs. They dare not even call themselves lobbyists; they dare not even say it. They have titles and business cards, and they buzz around Parliament.

That is the problem: these people have been allowed to influence power. Often, since they have budgets, they can make investments—as they would see it—in the campaign funds of members and, more often than not, these are government members. They are not rushing to invest in the opposition parties. That is the reality.

What can the public conclude? It can conclude that, today, the House of Commons is discussing lobbyist legislation. However, in the meantime, in real life, credit card interest rates have never been higher. I can guarantee that, next year, the interest rates of credit cards issued by most major stores and banks will increase another 1%. When the House of Commons starts making too much noise and talking about trying to change credit card interest rates, the major banks come out with lower interest credit cards.

● (1720)

Except that they will offer it to their best clients, who, for the most part, do not have a monthly balance on their credit card. That is how they do it. They would never reduce the rate for their clients who are unable to make ends meet and have to carry over a balance every month. Those are the people who see their credit card interest rate increase by 1% a year. The same thing will happen next year despite the fact that interest rates and the Bank of Canada rate have never been lower. That is the harsh reality.

What is the use in having MPs if we allow lobbyists for banks and major store chains to dictate what direction to take and maintain, in Quebec and in the rest of Canada, such high interest rates on credit cards?

I will give another example; that of oil companies. My colleague gave this example earlier. I hear the Canadian Alliance members saying that there is no collusion and that this was analyzed by the committee. The reality is that oil companies never made more money than during the last crisis when they increased the price of gas as much as they did.

If there had not been enough raw materials and if it had been so difficult, what would they have done to keep clients? They would have tried to lower the prices and show that they were having difficulties, but they did the opposite. They increased the price and have never made more money than in the past six months.

Some might try to say there is no collusion, but that is not true. A committee analyzed the situation. The oil companies' numbers come out every three months. The dividends are indicated and we can read them in all the papers. People are not naive. Oil companies have made more money than ever since the price of gas went up.

Today, in this House, we are being told there is no collusion, that nothing is going on, and that the competition commissioner need not intervene. The public is not naive. Pardon the expression, but people are not stupid. They realize that somewhere, something is not right. The oil companies have made more money than ever in the past two years, since they increased the price of gas. It is always the same thing. They all increase the price at the same time, almost to the minute.

Meanwhile, we members of Parliament want to debate in committee, regardless of the name this committee may be given; what the public wants is for us to discuss the issue of rising gasoline prices, and the fact that oil and gas companies have never made so much money at its expense. That is what it wants us to discuss.

Because of the lobbyists, the government does not dare do so. The commissioner of competition does not have the necessary powers, and the committee is unable to render a decision. We are told that there is no collusion. There is always an excuse. In the mean time, we are not resolving the real problem, the one the public has with oil prices which are excessively high given the profits the oil and gas companies are making.

There should be a way in this society to be reasonable and to prevent multinationals from having control over everything at the expense of the poor consumer.

Once again, because of lobbies, a bill is being introduced today to try and counterbalance the work of lobbyists, but that will not resolve the issue of rising oil prices and humongous profits made by oil and gas companies. That is the reality.

I will take another recent example, that of shipowners. At present, there is pilotage all along the St. Lawrence River, as there has been for hundreds of years. There is pilotage on most major seaways giving access to the heartland, and there are specialized pilots. There is pilotage on the Mississippi, in the U.S., and on other rivers in Europe.

When a seaway goes inland, pilotage is mandatory, to protect the environment. People have been trained to pilot through specific areas. We have pilots associations for the stretches between the Escoumins and Quebec City, Quebec City and Montreal, Montreal and the Great Lakes, and around the Great Lakes. These are all people who have been trained to prevent a disaster. If an oil tanker were to run aground in the St. Lawrence River, with tidal water moving toward Quebec City and the ebb and flow making water flow past Quebec City as far as Trois-Rivières, the entire river would be contaminated. That is why we have pilots.

● (1725)

They have existed for 150 years. This was decided back then. These days, there is the shipowners' lobby. Just last week, it got an opposition member to move a motion in the Standing Committee on Transport to abolish pilotage for Canadian ships. Canadian shipowners, clearly, have decided that they had better help themselves before the future Prime Minister arrives on the scene, since the member for LaSalle—Émard is himself a shipowner. They tried to solve the problem. It makes no sense. For ten years, we have been trying to get risk assessments. They have yet to be done. Transport Canada is still in the process of doing risk assessment studies for the whole St. Lawrence seaway, all the way up to the Great Lakes. They are still not finished.

In the meantime, because there are political deadlines looming—a new Prime Minister who will surely be chosen in the fall—they want to solve the shipowners' problem. Once again, the shipowners' lobby is trying to get its idea through. We have seen them prowling the halls for about a month now; they have probably visited the office of every member. They arrive with their cards that say government liaison officer for the shipowners' association and they try to pressure us.

The problem is that today, we are debating a bill on lobbyists, when this lobbying should have been done, and should be done by every member in this House. We are here to represent the public. Lobbyists were not elected to defend the interests of constituents. They are paid to defend private interests. That is reality for lobbyists. Politicians are here to defend the interests of their constituents, and that is what we must do. Today, we need to be much stricter with lobbyists and try to regulate them as much as possible to prevent Parliament from becoming a useless institution.

I have mentioned three examples. It is not true that the House acted on the issue of interest rates on credit cards. That is wrong; the House of Commons has never done anything for consumers with respect to credit card interest rates. That is the case, nor will we ever do anything either. As long as there are lobbyists, this will be a problem.

With respect to the oil companies, we in this House will never succeed in regulating gasoline price increases or the astounding increases in oil company profits. You will never do it; the Liberal members will never do it. Why not? Because the lobbyists come and try to explain that it is much more profitable to support them rather than regulate their activities.

It is the same thing for the shipowners. The abolition of pilotage on the St. Lawrence will probably happen one day. I hope it never does. But then you see the strength of the lobbyists and the way they want to act quickly before the new Liberal Party leader, the member for LaSalle—Émard, takes over. Once more, I think all the people who live along the St. Lawrence River will be the ones to pay the price. One day, they will be victims of a catastrophe, because Parliament—the hon. members in this House—did not do what they should. They caved in to pressure from lobbyists and eventually there will be a catastrophe on the St. Lawrence.

It is hard for people who love their work. I hope that all of us, in this House, love what we do; we love politics. It is hard to realize that we are limited, but it is even more difficult to realize that we are limiting ourselves. We let the lobbyists in. We let them do their work, defending private interests against the common good of the people. That is what we are doing. We are all guilty.

Today, we are trying to make amendments, and the amendments proposed by the Bloc have been rejected because they are too strict, that this should not be permitted, that they must not tsay what needs watching, that they must not explain who they have met with, and so on. We can never be strict enough with lobbyists because they are only in it for the money. They are paid to do their work. And the better they do it, the higher their salaries. That is reality for a lobbyist.

It will not change. We are the only ones who can set limits to tell them that, if they are that good, they can tell us who they have been meeting with, and why. And we can tell the people that such and such a company uses the top lobbyists who defend certain kinds of interests.

Once again, the Bloc Quebecois will support this since it is a bit better than what we had before. I hope that, one day, we will be able to regulate, on our own and without the involvement of lobbies, consumer credit card interest rates, which have increased by 1% per year over the past three years, although the interest rate set by the Bank of Canada has never been lower. That is the reality.

I hope too that we will be able to regulate the astronomical profits being made by the oil and gas companies at the expense of consumers. This can be called collusion or competition. No matter what you call it, what people, drivers, taxi drivers and truckers are going through is not human: they see the oil and gas companies getting rich while their income is decreasing. Something must be done.

● (1730)

The same is true of the shipowners. An effort must be made to control this powerful lobby. Pilotage on the St. Lawrence is an institution that has existed for more than 150 years. Some people are trying to protect the environment and are acting as the public's eyes and ears to avoid an environmental catastrophe. Once again, we will not let the shipowners resort to powerful lobbying to try to destroy this tradition of safety, on behalf of an industry that would like to resolve its problem before the hon. member for LaSalle—Émard becomes the leader of the Liberal Party of Canada and the next Prime Minister.

Mr. Serge Marcil (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, it is rather unfortunate that my colleague across the way has focussed solely on lobbyists who represent the private sector.

Bill C-15 is not only about lobbyists representing the private sector. As well as these who are seeking to meet members, ministers, public servants, there are also lobbyists representing not for profit organizations, public bodies and community groups. There are plenty, and I often have them come to my office. I often have visits from them.

They are merely trying to make a point, and goodness knows the hon. member has belaboured it. In all of the speeches I have heard, there were comments about all manner of things that had nothing to do with the main subject at hand, which is the amendment made to Bill C-15.

I would like to see the member also address the fact that Bill C-15 obliges people to file returns. Legislation on lobbyists is not there to stop lobbying. It is there rather to encourage that activity and provide a framework for it, so that there will be greater transparency and so that the public will know who they are and what they are doing. That is the purpose of this bill.

As a result, it concerns the entire community, all public and parapublic bodies, all NGOs, and there are plenty of them. I will give one example. Sainte-Cécile cathedral in my riding was burned down. How many people do you suppose wanted to meet with the people at Canadian Heritage? They want to meet the minister or the senior officials to discuss their problem. They are not coming here to make money, but to look for help. As a result, they want to have the opportunity to meet with decision-makers. We want to know who these lobbyists are and what positions they held previously. That is what the proposed amendment will clarify.

So, Bill C-15, which has existed for many years, goes even further than the lobbying legislation which exists in Quebec and which was introduced only last year. Quebec did not have lobbying legislation until then. The province was forced to pass legislation last year, or two years ago, because of scandals that surfaced under the former PQ government that was in power at the time. Quebec understood that there needed to be rules for people, especially former employees who worked in offices and who were setting up companies and lobbying. That is what the Government of Quebec learned, and so it drafted legislation to regulate lobbying.

The bill before us amends an act that has been around for years and, in fact, promotes access to officials, politicians or ministers. The bill on a code of conduct for members, for parliamentarians also further clarifies the role of members of Parliament. Contrary to what my colleague opposite says, the role of members of Parliament is not to lobby.

Members are elected to study legislation, to sit in the House and to vote on bills. Our main role is not to lobby for a business or an organization in our riding. That is not the basic role of a parliamentarian. We are here to draft, debate and vote on legislation.

It would be nice if the member opposite could at least have a more open mind and discuss some of the benefits of the act to amend the Lobbyists Registration Act in Canada in his speech.

● (1735)

Mr. Mario Laframboise: Mr. Speaker, first I want to thank the hon. parliamentary secretary for explaining his role as a member, because that is not my role. He is here to make the public understand the Liberal government's policy. My role is to defend the public's interests and present them to the government. That is the difference, and it is considerable.

To this end, with regard to the whole lobbying issue, it is not community organizations that make requests that are, frequently, written about in all the papers and that become common knowledge. It is well known why the representatives of a church that burnt down have come to Ottawa: they are asking for funds to re-build the church. Everyone knows this.

When it comes to the banks, oil and gas companies and shipping companies, we want to know what they are doing behind our backs with the members and the ministers, at the public's expense. That is what we want to know.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I savoured the last speech, because it hit the nail on the head. We saw the reaction of members opposite. Hitting the nail on the head produced this kind of reaction.

I would like my hon. colleague to go a little further. We referred to shipowners working to take away the St. Lawrence River pilots. I know that the hon. member is anticipating my question, and I am anxious to hear his answer. At present, ships sailing up the St. Lawrence River are for the most part refused entry into the U.S. These are poison ships. Do you know that these ships are a threat? They are not inspected upon entering the river. They are a threat but we have an insurance policy in that we have pilots who are familiar with the St. Lawrence River.

Imagine what is going to happen with these ships hauling dangerous cargo if these pilots who know the river so well are taken away. The St. Lawrence River is not an ocean. It runs down the middle of Quebec. It is the heart of Quebec. Let us consider for a moment what would happen if a ship sank on Lake Saint-Pierre. All of Quebec would be devastated for years to come.

Wanting to interfere with that is bad lobbying. I also want the hon. member to tell me what exactly he likes in the firearms lobby, for example.

I have a problem with Lake Saint-Pierre. We want it to be decontaminated, because there are 300,000 shells in it right now. This apparently happened just like that. Of these 300,000 shells, 10,000 are unexploded and continue to pose a threat at the bottom of the lake.

That is not all. The firearms lobby is so powerful that it is considering setting up north of La Tuque. Mr. Speaker, you who have practised sports have known Maurice Richard as I did. At the end of the hockey season, this great athlete used to say, "I am going north of La Tuque to enjoy the peace and quiet". Now they want to have weapon experimentation ranges in that area. The lobby is pushing for that, arguing that it will protect the environment.

I would like my hon. colleague from Argenteuil—Papineau—Labelle to elaborate on these two aspects.

Mr. Mario Laframboise Mr. Speaker, I thank the hon. member for Champlain for his question.

First, when I said that the risk analysis of pilotage on the St. Lawrence was not complete, that is the truth. It is not finished. Personally, I believe pilotage should not be abolished. In fact, the pilots should be given more power so they will be able to inspect the infamous poison ships that cross the oceans and come into our waters, and that Transport Canada does not have time to inspect, because of the lack of personnel. That is the reality.

We are very lucky to have people whose duty it is to ride on every ship that enters the St. Lawrence. Rather than dispensing with their services, why not make better use of them by giving them more responsibilities, so that they would act as even better eyes and ears on the river?

And as for arms, we in this Parliament are used to mixed messages, and that is the truth. While someone is announcing a decontamination project, someone else is announcing a new firing range in the same region. That is how the Liberal government operates. It is hard to swallow.

I can understand that this was difficult to swallow for the parliamentary secretary, who is trying to pass measures to regulate lobbyists. I repeat: for all those consumers who pay ridiculously high interest rates on their credit cards, there will never be enough regulations governing what lobbyists do. For all those citizens who are paying too much at the gas pumps while the oil companies are getting richer at their expense, there will never be enough regulations governing what lobbyists do. For those who might make the St. Lawrence River dangerous for all those living near its banks, there will never be enough regulations governing what lobbyists do to prevent shipowners from having another emergency amendment passed, while waiting for the arrival of the next leader of the Liberal Party of Canada, a shipowner by trade.

● (1740)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am pleased to have the opportunity to join in the debate on Bill C-15. I want to thank other members for their contributions to the debate today. I found them helpful and I learned a great deal.

I want to thank my colleague from Churchill for her energetic and enthusiastic intervention. She touched on a great number of concerns that ordinary Canadians have about lobbyists particularly about having undue influence in our Canadian political system. That is the way I could summarize the apprehensions many Canadians feel.

Canadians feel that there could be a trend and a tendency for lobbyists to have such influence in our Canadian political structure so as to undermine democracy. Many people look at the United States in a critical light and recognize that lobbyists play an incredibly important role on Capital Hill. Most Canadians do not have an appetite to see us going in that direction.

In the American political structure with more independent free votes, more effort is made to ensure that congressmen and senators vote in a certain way because they more or less have to earn the votes one by one instead of along party lines. Many people believe Washington is driven by lobbyists and feel they play an incredibly influential role in how it operates. In that country, a lobbyist is the highest on the pecking order in the sphere of political strength. Canadians do not want to see us going down that road, and that is why they welcome a firm and clear regulatory regime within which lobbyists may operate.

We all recognize the fact that lobbyists play a legitimate role in bringing specific issues to the attention of members of Parliament. The only lobbyists I welcome into my office as a rule are those from the non-profit sector. However, lobbyists do come to Parliament Hill with the legitimate purpose of trying to make members of Parliament more aware of issues of their concern. I think of the effective and legitimate annual lobby of firefighters. There is no self-interest involved in that lobby. It is a matter of health and safety issues et cetera. Many non-profit organizations do knock on our doors on a regular basis.

The lobbyists we need to regulate are those representing personal gain, self-interest, profit et cetera. We do not want our decision-makers influenced in an undue way by the overwhelming influence of these people.

I would like to quote from Democracy Watch, an organization that has been very diligent in following these matters. The coordinator of Democracy Watch, Duff Conacher, commented on the recent Senate committee on rules and procedures as it dealt with the Lobbyists Registration Act. He said:

> The federal Liberals proposed lobbying law changes are not enough to end secret lobbying or unethical ties between lobbyists and politicians.

Mr. Conacher was speaking for many Canadians when he said that they do not see enough in Bill C-15 to satisfy them that the regulations are tight enough to put an end to the secret lobbying that we know takes place. We are not being inflammatory or saying anything outlandish when we say that we have reason to believe that secret lobbying takes place without being fully reported. We have reason to believe that there has been and may still be unethical ties between lobbyists and politicians, or as was pointed out by the member for Churchill, even more commonality between lobbyists and senior bureaucrats. It is not necessary that they reach the actual cabinet minister.

● (1745)

It is probably very rare that lobbyists gets through all the various shielding that goes on around cabinet ministers and get to the individual cabinet minister, but certainly they get to visit and see senior bureaucrats with no record and no obligation to make public or to make known those meetings that may take place.

We are not satisfied with the current amendments to the Lobbyists Registration Act. Speaking on behalf of many Canadians, the amendments are not rigid or stringent enough to safely say that we can put an end to secret lobbying or unethical ties.

Some of the key loopholes in Bill C-15 that still need to be closed and that still exist are loopholes that some commentators have said are big enough to drive a truck through in terms of the opportunities that are there for abuse and misuse. I will not go into specific industries, but people have mentioned some industries that concentrate a great deal on lobbying on the Hill such as the drug industry, the oil industry, et cetera. We believe that there is not full transparency in the activities of the paid lobbyists on behalf of some of those key industries.

A key loophole that still remains in Bill C-15, even after the Senate committee has had a go at it, is the fact that ministers and other senior public officials should be required to disclose, on a searchable Internet site, who is lobbying them and ensure that all lobbying is exposed. That is not automatically available. We should know who is trying to influence what minister or what senior bureaucrat at any given time.

Those of us who have the research capabilities could dig back. After a piece of legislation has been introduced some of us who may be curious to know just what motivated the government to introduce that legislation may do some research, track backwards and find which lobbyists have been aggressively pushing for this, but it is not easy and it is not readily available. It certainly is not readily available on any Internet site, as is being proposed by Democracy Watch, so that ordinary Canadians, anybody who could operate an Internet site better than I, would be able to find out who is lobbying who at any given time.

I think it would be very revealing, looking at major capital expenditures such as military investments, specifically the helicopter deal, to see how much lobbying is going on by the various helicopter manufacturers that are trying to sell products to the Canadian government. It is not readily available and it would be very interesting to most Canadians.

We also believe that Bill C-15 leaves loopholes in that hired lobbyists should also be required to disclose past offices that they may have held, if they were a public servant or a politician at one time, or held any other public office. Corporate and organization lobbyists would be required to do so, but we believe that all other individual lobbyists should be required to disclose fully their past c. v. and their track record. Some are obvious. We have paid lobbyists in Ottawa, on the Hill, who are former members of Parliament. I suppose that is a matter of public record. It is fairly self-evident to anybody who follows these things, but we should know if they were at any time senior public servants who may have had dealings with that industry in their capacity representing the federal government.

If those same individuals are now registered lobbyists, we should know because it is too close a connection, it is too tight, and they may be using privileged information or information that they gleaned while they were in the employ and the trust of the federal government. That information could be advantageous to them in their new capacity as lobbyists. Again, we have the right to know that.

We are also concerned about a very specific point. The exemption of section 3(2) in Bill C-15, which amends section 4(2)(c) of the Lobbyists Registration Act, should be removed from the bill because it would allow lobbyists who are only requesting information to avoid registration.

● (1750)

That surely opens the door for abuse. Some lobbyists will be excluded from the obligation to be registered if they say that they are only lobbying for the purpose of getting information from the government. It is a rare thing that an organization or a private interest would hire someone to go to the government just to obtain information. If a person stated that was the purpose for lobbying on the Hill, that person would go under the radar. No one would have to register at all. Who knows what lobbying really goes on once the door is closed and once there is access to the people involved. We believe that specific point should be addressed.

I know it is the purpose of this debate tonight to deal with the specifics of Bill C-15. Therefore the exemption in subclause 3(2) of Bill C-15, which amends subsection 4(2)(c) of the Lobbyists Registration Act, should be removed from the bill. That is the strong view of the NDP caucus.

Also lobbyists should be required by law to disclose how much they spend on a lobbying campaign. That information again is not readily available. If that information were readily available, I think journalists or any interested party, including ordinary Canadians, may be interested to know. Certainly a red flag should go up if there is a huge amount of money being dedicated to a specific campaign, and that is cause for concern. We should be aware that this private interest is so motivated that it feels compelled to spend $.5 million or $1 million on a lobbying effort. The country should know that.

We would want to question the people who have a serious interest in this issue and ask what the motivation is and the opportunity for gain. Perhaps it warrants more scrutiny by parliamentarians and by the general public. I am surprised that is not law already. I learned a great deal just by reviewing the details surrounding the Lobbyists Registration Act, and I think a lot of Canadians believe this is already the case. In fact I think they would be disappointed to learn that we do not already have these safeguards and measures in place to plug any opportunity where there is room for abuse.

Lobbyists as well should be prohibited by law from working in senior campaign positions for any politician or candidate for public office. That raises an interesting point. What about Earnscliffe? Did Earnscliffe not play an active role just recently in a fairly high profile leadership campaign race? Does it not have paid lobbyists? Is that not what it does on Parliament Hill? That is a graphic illustration of an example that we would want to see disclosed. We are aware of that now anyway, so I suppose that particular example does not pose any problem. However in other examples it is not self-evident, with a less high profile situation perhaps.

We believe lobbyists should be prohibited by law from working in senior campaign positions for any politician or candidate for public office. I think one precludes the other. They cannot have it both ways, I do not believe. We are trying to avoid this kind of incestuous relationship.

Also, lobbyists should be prohibited from working for the government or having business ties to anyone who works for the government, such as if a lobbyist's spouse is working for the government. We know there are examples of that as well. The connection is just simply too close. We would speak strongly for making that change to ensure that lobbyists are prohibited by law from working in senior campaign positions or from working for the government or having business ties to anyone who works for the government, business ties or personal ties I would add.

The prohibition on lobbying the government for ex-ministers and ex-senior public officials should be increased to five years, not the current situation. It is too brief. We believe five years would be long enough to span one term of office, one session of Parliament, possibly even one government. The government may change within a five year period. It is too fresh to simply leave such a senior position, like an ex-minister, an ex-senior public official or a deputy minister, for instance, and then 12 months and one day later become a lobbyist.

● (1755)

This is what we found with Chuck Guité, the deputy minister in the Groupaction scandal. He left his job, a senior position, with all the scandals associated with Groupaction. One year and one day later he was registered as a lobbyist for the public relations firm's associations. I do not have the names. He was working on the Hill 366 days after leaving that senior position in public works where he was the one who awarded those very contracts to those very people he now represents. That is too close. There is too much opportunity and room for abuse. That is a good example of a name that should certainly raise the alarm with anyone.

Another point raised by Mr. Conacher with Democracy Watch, and I would argue on behalf of ordinary Canadians, is that he believes the proposed new ethics commissioner to be created under Bill C-34 should also enforce the lobbyists code of conduct rather than the registrar of lobbyists as proposed in Bill C-34. We believe that would prevent any conflict in ruling. That could be a role. If we had an independent ethics commissioner, or even the ethics commissioner to be created under Bill C-34, that person should enforce the lobbyist code of conduct, instead of the registrar of lobbyists, to put more distance and have more objectivity.

I am pleased that a number of presenters raised this connection. I suppose it is not a coincidence that we are dealing with Bill C-15 and Bill C-34 simultaneously in the same week in the House of Commons. I believe there is a direct connection between the campaign finance bill, the elections financing act, and the Registration of Lobbyists Act. Surely people can see that we want to take big money out of politics.

We do not believe anybody should be able to buy an election in this country. We have seen what happens in the United States where big money, soft money and all the terms they use down there has far too much influence, undermines and even bastardizes democracy in that sense. These two are inexorably linked, because one of the biggest promises a lobbyist can bring to a government to buy influence is the opportunity to make campaign contributions.

I see an opportunity in both of these bills to make Canada more democratic, but I also see shortcomings. Bill C-24 does not go far enough and it still allows far too much business contributions. It strips away trade union contributions but still allows individual franchises of the same company to donate $1,000 each, whereas a national union with 100 locals can only donate $1,000. That is my criticism of Bill C-24.

Just to wrap it up then, I believe there is a direct correlation. Bill C-15 does not go far enough in the ways that I have outlined, the seven different points that I have raised. Bill C-24 does not go far enough in that it treats trade union contributions more strictly than it does business campaign contributions. The connection is lobbyists will no longer be able to say that if one favours their client, their client will likely make a large campaign contribution to one's political party. That is a legitimately a good thing. We believe that only a registered voter should be able to make a political campaign contribution. That is what we have done in the province of Manitoba. There is not even any provincial government money to offset the lack of union and business donations. The rule is clean, pure and simple that only a registered voter can make a political campaign contribution, and that is the way it should be.

● (1800)

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, I listened with interest to my colleague's speech on the Lobbyists Registration Act and he raised some good points. He spoke about a number of the witnesses who appeared before the industry committee when we were studying the bill. He was correct in saying that many of them had serious concerns not only with the bill itself, but with some of the things that should have been in the bill that were not.

He touched on one with regard to the independent ethics commissioner. As he has pointed out, independence is needed to effectively deal with complaints as they regard lobbyists. We have transparency now in the fact that lobbyists register and they are available on the website where people can find who is registered and for what they are lobbying. The concern for many of us in this chamber is the fact that we need an independent authority, not just an appointment of the prime minister of the governing party but an independent officer of Parliament itself to deal with complaints. If someone has an allegation to make against a certain lobbyist for something, then that should be made to an independent ethics commissioner.

Does the member think the proposed independent ethics commissioner addresses this concern? I believe it does not. Does he think that to be truly independent, the person should be appointed by all parliamentarians, by the House itself, so the person is an officer of Parliament rather than being an appointment of the prime minister or of the governing party?

Mr. Pat Martin: Mr. Speaker, my thanks to my friend from Edmonton for the question. It is the well stated position of the NDP that we believe the ethics commissioner should be an independent ethics commissioner appointed by agreement in Parliament, not appointed by the prime minister. We have stated that over and over again. I think certainly all the opposition parties are in firm agreement that it is the only way the ethics commissioner will be of any use to Parliament. We have seen the experience before with the appointed watchdogs for ethics, et cetera, and we do not believe that is of any value whatsoever.

I appreciate the input and the remarks from the member from Edmonton. We are on the same wavelength on the ethics commissioner. He did not share with us if he believes the enforcement of the lobbyists code of conduct should be a role for the ethics commissioner. Even though it is not my role to ask questions of him, I would be interested to know if the Canadian Alliance would agree that we should be putting more distance between the lobbyists code of conduct and the registrar of lobbyists in terms of the enforcement. It would be an appropriate role for the ethics commissioner.

I would also be interested to know if the hon. member or other hon. members in various parties agree that one of the most advantageous things about having a revamped Lobbyists Registration Act will be the benefit from the elections finances act and the direct correlation. We have good reason to believe that much of the conversation that takes place when a lobbyist is doing his or her job with a senior bureaucrat or a minister, if the lobbyist can get the bureaucrat or minister to Hy's long enough, has to do with the promise of campaign contributions. We certainly have reason to believe there is a direct correlation.

We have seen the experience of business development loans or technology partnership loans. Those businesses that receive what we call corporate welfare are often the same companies that are the most generous to the ruling party, and that is not just exclusive to this current government. Ottawa has operated for many years.

I believe quite strongly that within a very short period of time Canada will be a better place by virtue of the elections finances act and a much more rigid and more tightly regulated lobbyists regime.

● (1805)

The Deputy Speaker: Before I give the floor over for questions and comments, I want to make the House aware there is approximately one minute left before we proceed to private members' business.

Mr. James Rajotte: Mr. Speaker, in that case I will be very brief and I will take this opportunity to answer my colleague's question. We would in fact like to see the ethics commissioner be the person who, above and beyond the lobbyists register, deals with any complaints or allegations made within the Lobbyists Registration Act.

Further to that, does he have any cases that he could point to that he feels were unsatisfactorily addressed by either the ethics counsellor or the lobbyists register, which did look after the registration act itself?

Mr. Pat Martin: Mr. Speaker, I will simply close by saying that Bill C-15, an act to amend the Lobbyists Registration Act, is full of half measures that show us and the general public that the Liberal government sees nothing wrong with the federal government being driven behind closed doors by wealthy corporations to carry on the practice of lobbying, as it has since time immemorial in this place. We are not satisfied that Bill C-15 will clean up lobbying on Parliament Hill.

[*Translation*]

The Deputy Speaker: It being 6:07 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

BANKRUPTCY LEGISLATION

Mrs. Bev Desjarlais (Churchill, NDP) moved:

That, in the opinion of this House, the government should amend bankruptcy legislation to ensure that wages and pensions owed to employees are the first debts repaid when a bankruptcy occurs.

She said: Mr. Speaker, it is an honour to lead off the debate today on my latest private member's Motion No. 400.

I have had the privilege on a number of occasions to have my private member's motions or bills drawn and, quite frankly, I have had others made votable previously, very important issues related to what is often referred to as corporate manslaughter or the Westray legislation.

In the new process of private members' bills I had the opportunity for this motion to be drawn and I was extremely pleased, especially at this point in time when we do have the issue of employees' pensions and the risk of those pension funds not being there. It is very timely here in Canada, if not from a day to day basis with each member of Parliament, as we travel our airlines.

The issue we are debating today is an extremely important one for me as the member of Parliament for the riding of Churchill. What I am proposing with the motion is that the government amend the current bankruptcy legislation. The amendment I propose would ensure that wages and pensions owed to employees would be the first debts paid when a bankruptcy occurs.

Far too often in Canada we see employees being left at the bottom of the list when a bankruptcy happens. Far too often we see Canadians who have worked hard their entire lives having their pensions endangered by bankruptcy.

One can imagine working for a company for 30 years or more, retiring and looking forward to enjoying a pension for which one has worked hard, and then hearing that a former employer is going bankrupt and one's pension is in danger.

Certainly each of us as members of Parliament come here, serve a period of time, which a lot of Canadians feel is a very short period of time, before we are able to gain a pension from our employment. However, let us imagine sitting in this House for 20 years or 25 years. I have some colleagues who have been here that length of time. I believe the House leader from the governing party has been here a fair length of time.

I may have my issues with the Prime Minister but I acknowledge his dedication for 40 years to public service. One can imagine what it would be like if the Prime Minister could not receive his pension when it was all done. He has a doozy of a pension and he has had a good wage over the years. However let us imagine having a wage of maybe $40,000 or $45,000 a year and setting money aside for retirement, and then it is not there. We would not have had the benefit of a $150,000 or a $200,000 salary year after year to tuck money away.

We would have had enough to make a go of it, to put food on the table for our family, to pay for a home, the children's post-secondary education, hydro, gasoline or whatever and then something happens, our pensions are ripped away from us and we are left with nothing except possibly some OAS and maybe welfare. I can only imagine the thoughts and concerns that might come to the mind of an individual facing that crisis.

It is for that reason that this motion is so important. The motion is designed to highlight the inequities in our current bankruptcy legislation. The current process puts the needs of banks and creditors ahead of unpaid employee wages and pensions.

I would like to explain first the bankruptcy process with respect to employee wages, after which I will discuss the impact of bankruptcy on pensions.

When a company files for bankruptcy in Canada, the government is the first to be paid. These are called source deductions and they include the Canada pension plan, income tax and employment insurance payments. A company takes these items as deductions from the wages of employees and holds them in trust for the government to be remitted at a later date.

My understanding of it is that it is not to be that much of a later date. These payments are usually supposed to made on a monthly basis or every couple of months but we know there are companies that for some reason or other sometimes do not get those source deductions paid.

● (1810)

If there is a bankruptcy the Government of Canada makes sure it takes the money it is owed first. I am a little begrudging of this, especially when I see EI premiums being paid and there is a huge surplus. The government makes sure it gets its payments first and puts the workers at the bottom.

The next group to get paid are the secured creditors. These are institutions, such as banks, whose loans are secured by items such as company assets. These secured creditors have an arrangement similar to that of a home mortgage. If the company cannot make a payment on its loan the secured creditor arrives to repossess a company asset.

The third group in the list of claimants in a bankruptcy case are the preferred creditors. Within the grouping of preferred creditors the claimant list is prioritized: legal cost and the levy for the superintendent of bankruptcy comes before employees. In this prioritized list employees are listed fourth in order of importance.

Why are employees listed below all the others? These employees have worked hard for their companies. In many cases they have built the company, struggled through the hard times, given their sweat and, in some cases, given their blood and their lives, and they are put at the bottom of the heap. When a company goes bankrupt they are given the bottom position.

The issue of unpaid employee wages during a bankruptcy is not new. The government has known about this issue for many years. In a report prepared for Industry Canada in 1998, the problem of unpaid employee wages during a bankruptcy was addressed. The report acknowledged that employees were poor risk bearers, simply put, employees could not afford to lose out on their wages. They do not have access to repossessing the company's assets.

Unlike other creditors, such as banks, who are able to bear the impact of the loss of revenue, employees have no mechanism for disbursing the income of lost wages. As I said, many are from wages that are not $150,000 to $200,000 a year jobs where one might be able to stash some money away. They are from jobs where one might have made $20,000, $25,000 or $45,000. Even after all other creditors in front of an employee are paid, if anything remains the employee, under the current legislation, is entitled to a maximum of $2,000 in compensation.

What if employees are owed more? In this example I am only referring to wages, not to other items which might be of financial interest to the employees, such as vacation pay or severance pay. I am referring only to wages. Two thousand dollars seems a small amount to be paid for losing one's job plus the work that one has already provided to the company and not getting paid for it.

This is an issue of fairness and equality. Ensuring the unpaid wages and pensions are given first priority in a bankruptcy situation is only reasonable and it is time we made these changes. Workers in this country must come first.

The 1998 report shows that the Liberal government has had this information, has known about this problem and has decided to do nothing about it. Even in light of recent high profile bankruptcies, such as Enron and WorldCom, the government and the candidate for the leader of the Liberal Party, the former finance minister, continue to ignore an important issue.

We can pick from many examples over the years that illustrate the need for change in the bankruptcy legislation. With regard to pensions, Enron and WorldCom are just a few recent examples of where we have seen a significant impact of a bankruptcy on current and former employees.

In the case of Enron, while many top executives and their friends made millions of dollars selling Enron stock before the collapse, ordinary employees who on the average had 62% of their retirement assets invested in the company, lost a total of $1.2 billion U.S. from their pension fund. Many lost almost all their retirement savings.

In the case of WorldCom employees, they saw stark reductions in their retirement savings. Some 40% of the employees of the firm had invested in the pension plan.

● (1815)

Perhaps the example of Air Canada might better illustrate the importance of my motion. Air Canada's problems have provided a wake-up call on pension funds. Air Canada has not yet gone bankrupt. It has simply filed for bankruptcy protection under the Companies' Creditors Arrangement Act.

The act provides protection for Air Canada from the company's creditors while it attempts to restructure. In the case of Air Canada's pension, filing under the CCAA has revealed that its pension plan has a $1.3 billion deficit. Air Canada has 12 plans that it administers with some 50,000 employees relying on these plans for their retirement savings.

If Air Canada were to go bankrupt, why then in all fairness would the employees' pensions not be the first on the list to be paid ahead of the banks and creditors? These employees have earned the right, through their hard work, to see that their investment is insured. Simply, these employees have earned the right to see that their trust in the company's ability to manage their pension fund be repaid.

Even more telling in this case is the fact that the Office of the Superintendent of Financial Institutions has applied to amend specific elements of the court order in respect of Air Canada and its subsidiaries.

The OSFI is seeking to put Air Canada pensioners first. The OSFI wants to amend the court order so that amounts due or accrued to the pension fund are not subject to the CCAA restructuring proceedings. These amounts will move ahead in the list of prioritized creditors. That is the right way to do things.

I will not comment today on how the Office of the Superintendent of Financial Institutions allowed the Air Canada pension fund to accumulate such a large deficit by granting company contributory holidays at a time of industry-wide uncertainty. I agree with the OSFI that in the talks regarding moneys due from a company during bankruptcy or simply during restructuring that the employees' interests, whether they are pension plans, unpaid wages, holidays or whatever should be moved to the top of any asset distribution scheme.

Bankruptcies are difficult for all stakeholders but most difficult for employees. It is a time when employees, both current and former, worry about everything from mortgage payments to job security. They should not have to worry about the possibility of unpaid wages for their pension benefits.

The motion calls on the government to ensure that funds owed to employees are the first debts paid when a bankruptcy occurs. Employees are an integral part of any company and as such deserve the right to be the first to receive financial compensation.

Former employees who are receiving pension benefits have planned their retirement years around their investment in a company pension program. Do we not have an obligation to see that pension plans and employee wages are put first ahead of all other creditors?

We have an obligation to see that the interests of employees are fulfilled. Employees are often those who can least afford to incur such a risk as lost wages or diminished pensions. Employees are often the most vulnerable creditors and are unlikely to bargain for compensation due to the risk of non-payment.

Over the past three decades there have been many proposals to amend Canada's bankruptcy law in order to put employees first. Even with all the discussion that has taken place during that time little change has happened. Pension and unpaid wages continue to be placed behind the list of creditors. I think this says that the government does not value workers and it is time to change that.

I encourage my colleagues to support this legislation. It is right for workers. It is right for Canadians and it is right for our country as a whole.

● (1820)

[*Translation*]

Mr. Serge Marcil (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, first, I would like to thank the hon. member for having shared his concerns about the former employees of bankrupt companies. This is not a partisan issue. All of us here in the House are concerned by the problems faced by employees in this situation. We all agree, I am sure, that employees whose employer has declared bankruptcy without paying them their wages are very vulnerable. They face immediate and serious financial difficulties. They need protection.

However, this is not a simple matter. Each solution has its drawbacks and, on numerous occasions, Parliament has been unable to agree on the most equitable approach.

Over the years, various governments have proposed different solutions to protect employees that are good for both the economy and Canadian workers. The problem of unpaid wages and pension contributions when a company goes bankrupt has been considered by the House many times in the past. I am sure that all the members want to find the fairest solution possible.

This motion is very straightforward. It proposes to grant preferred protection to wage claims and pension claims, above all other debts.

At first sight, granting preferred protection to such wage claims and pension claims seems an obvious and effective solution with regard to employees whose employer has declared bankruptcy. Unfortunately, resolving this problem is more complicated than it first seems. As the numerous discussions on bankruptcy law have shown, preferred protection, as is the case for many other options, poses various problems.

One difficulty—and this is where previous proposals have failed—arises from the fact that preferred protection might have an effect on the ability of a company to obtain credit. This could be an important factor when it comes to risk assessment by commercial credit companies and contribute to lower credit being provided. This could have a negative impact on employment and the interests of workers in general. Commercial bankruptcy law plays an important role in risk distribution on financial markets.

I am not saying that preferred protection should be rejected as a means for responding to the wage and pension claims with regard to bankruptcies. I am simply indicating that this is a complex issue that has been discussed for a long time and that requires certain compromises.

Several attempts have been made in the past to amend the legislation. The basic principle of wage earner protection was established 50 years ago in the Bankruptcy Act, 1949. Since that time five committees have reported the possible changes: the Tassé study committee in 1970, the Landry committee in 1981, the Colter advisory committee in 1986, the advisory committee on adjustments in 1989, and the bankruptcy and insolvency advisory committee in 1994. None of their recommendations for wage earner protection were implemented.

Since 1975, eight bills have been introduced in the House and in the other place to amend the act. Only one of these bills substantially altered the provisions for wage earner protection, the bill involving the 1992 amendments to the act.

These committees and bills proposed or analyzed a wide range of approaches including wage earner protection funds financed by contributions from employers, from employers and employees, or by the government through general revenues.

Some bills proposed super priority protection for wage claims. Some bills proposed raising the ranking of wage and pension contribution claims among preferred creditors.

There is a great deal of divergence on who should pay for the cost of wage and pension contribution claims. It was nearly impossible to obtain a consensus on better ways to proceed than what is currently in the Bankruptcy and Insolvency Act. That is why the protection of wage earners requires further examination and consultation.

Despite the amendments to the Bankruptcy and Insolvency Act, 1992, wage earners are still faced with particular problems when their employer declares bankruptcy and they lose their pay and pension contributions. They are vulnerable creditors who often cannot afford to suffer such losses.

● (1825)

As well, they generally lack sufficient information to assess the risk of not being paid what is owing to them by their employer.

To protect employees, the act as modified in 1992 gives preferred status of up to $2,000 in wage claims for services provided in the six months immediately before the employer's bankruptcy. It also protects up to $1,000 in disbursements for sales people.

In the preferred ranking, wage claims are given priority over claims of ordinary creditors but wage claims rank behind those of secured creditors.

Protection for pension contributions is provided in federal and provincial pension legislation, much of which gives secured creditors status to claim unpaid pension contributions.

Very few people would argue against the principle of protecting the claims of wage earners. Fairness weighs in favour of protecting them.

In practical terms wage earners are more likely to have their unpaid wages claims satisfied than ordinary creditors because of their preferred status. In some circumstances as well, secured creditors may allow trustees to pay accrued wages to which the employees are not entitled, strictly speaking.

Industry Canada, which is responsible for the Bankruptcy and Insolvency Act, is aware of the need to protect wage earners whose employers face bankruptcy.

In 1992, Parliament amended the Bankruptcy and Insolvency Act to extend the protection of unpaid wages. In particular, Parliament found it appropriate to increase the protection for wages earned up to six months prior to bankruptcy. This represents a doubling of the previous length of time. In 1992, Parliament also quadrupled the maximum amount that could be claimed from $500 to $2,000.

Further review of this important issue is currently under way. I am pleased to bring members up to date on the plans of Industry Canada to strengthen the Bankruptcy and Insolvency Act.

First, in 2001, the department released a discussion paper addressing wage earner protection.

Following the release of this discussion paper, Industry Canada officials undertook cross-Canada consultations with stakeholders to help identify a fair solution.

The act was referred to the Standing Senate Committee on Banking, Trade and Commerce. To assist the committee, Industry Canada prepared a report describing the wage and pension protection problem, proposing possible solutions and setting out the views expressed by stakeholders about these options proposed.

I can say that the parties were generally of the opinion that wage earners are vulnerable creditors who need protection when their employers go bankrupt. There was considerable support for enhancing the priority protection for wage earners. However, the views expressed varied greatly as to the relative priority they should be given.

The committee has undertaken its study and will no doubt give the matter full consideration.

In conclusion, the minister provided these details to give my hon. colleagues from all parties an assessment of the situation.

I submit that there is great interest in the whole question of wage earner protection following bankruptcies, but finding a fairer solution than what is now available will require a good deal of hard and thoughtful work during the forthcoming parliamentary review.

As I said in my opening remarks, this is not a partisan issue. Several different governments have already grappled with the question. Each option for wage earner protection has its advantages and disadvantages.

Industry Canada is currently working to identify a fair solution to ensure the protection of workers whose employers go bankrupt.

● (1830)

[*English*]

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, I certainly appreciate the opportunity to speak to the issue raised by the member for Churchill in this private member's motion.

I would like to point out that the whole issue of bankruptcy and insolvency legislation is certainly a matter under discussion. There are three reviews of which I am aware that deal with this issue. One is by the Personal Insolvency Task Force of 2002. Another review is by the Insolvency Institute of Canada and the Canadian Association of Insolvency and Restructuring Professionals' joint task force on business insolvency law reform. The third is by the review of the Standing Senate Committee on Banking, Trade and Commerce.

At the outset I would like to give due credit to the member for Churchill for bringing a very timely issue to the House. The motion reads:

> That, in the opinion of this House, the government should amend bankruptcy legislation to ensure that wages and pensions owed to employees are the first debts repaid when a bankruptcy occurs.

Undoubtedly, the Canadian Alliance would like for all wages and pensions to be paid in the cases of firms that do go bankrupt. We have received a number of letters on this issue and we certainly empathize with those who are left without their due wages. We recognize that employees are the most exposed in any bankruptcy and are the least able to absorb losses.

Bankruptcy legislation in Canada does have some quirks. For instance, while the federal government ultimately is in charge of bankruptcies, it is the provincial governments that set out the things that are in fact exempted. In reviewing the history of bankruptcy and insolvency law in Canada, I would like to paraphrase from the Insolvency Institute of Canada and the Canadian Association of Insolvency and Restructuring Professionals' recent joint task force on business insolvency law reform:

> Canadian insolvency statutes are largely based on the English bankruptcy and company statutes of the late 19th century.... During the 1980s, influenced by the 1978 changes in U.S. bankruptcy law and primarily as a result of developments in the western provinces (particularly Alberta and British Columbia), Canada became the second major country in the world after the United States to develop a reorganization culture. These are very important strengths which make the Canadian system superior to the U.S. system by minimizing transaction costs, minimizing the resources devoted to the insolvency system itself, and minimizing the...effects of companies operating for long periods of time with the benefit of court protection.

Although there may be a need to review this legislation, we should recognize that it certainly does have some strengths.

Under the Bankruptcy and Insolvency Act, creditors are classified as follows: first, secured creditors; second, preferred creditors; third, ordinary creditors; and fourth, deferred creditors. These classifications determine where creditors rank in relation to their claims against the bankrupted debtor's assets.

Secured creditors rank first because a trustee in bankruptcy takes title to a debtor's property, subject to the rights of the secured creditors in that property. Unpaid wages currently rank fourth in the next list of creditors, the second group, preferred creditors. These include, in order: first, testamentary and funeral expenses of a deceased bankrupt; second, fees and expenses of the trustee in bankruptcy and legal costs; third, the superintendent of bankruptcy's levy; fourth, unpaid wages and salaries of employees earned within six months prior to the employer's bankruptcy, up to a maximum of $2,000, and salespersons' expenses of up to $1,000 during that six month period.

One can see how the first three within this second list of preferred creditors, we would assume, would not be great amounts. Basically, as we understand the motion, it would move unpaid wages to not only first on the list of preferred creditors but also in fact above secured creditors.

With respect to the whole issue of pensions, the member for Churchill spoke very well about the obvious concern many people have with regard to pensions, with regard to them being unfunded as has been reported recently in a lot of the papers in Canada. Obviously Air Canada stands out as a very notable example. I think that is a legitimate concern. My suggestion would be that this whole issue of unfunded pensions would be better addressed through the Pensions Act rather then through the Bankruptcy and Insolvency Act.

Though it may sound strange to some, good bankruptcy and insolvency laws do make for good investments. Investors gain confidence knowing that should something go wrong, there is a stable system in place to protect what is left of their assets.

● (1835)

I have a few concerns with the motion. First, it overlooks the fact that insolvency and bankruptcy laws contribute to the initial startup of a company because they provide assurances to creditors that their risk in investing in a company or idea will have some degree of security.

When we think of investors in companies we often think of extremely large companies and extremely large investors, but that is not always the case. In fact most businesses in the country are small businesses. When people invest a lot of their life savings in a small business or in a friend's small business, we need to have some degree of security for them. In many cases that is as much of a wage or pension for them as anything else. That is why this is one concern that should certainly be raised.

The second concern I have is that the motion overlooks the entire restructuring process. Canadian law has been criticized for not allowing companies that enter into bankruptcy protection to restructure. That would be the second concern with this motion as stated in the sense that we do not want in some situations a company to not be able to restructure because it is afraid of having to pay wages and pensions first off.

I should note that within the Canadian Alliance obviously we have a policy of free votes on private members' business. I have it on good account that some of my colleagues in the Alliance may disagree with me on this issue, which is entirely their right. Therefore, I would not be too surprised if a few of them actually voted for this motion. I can understand why some individuals would support the motion, as I think the intent is certainly a good one.

Perhaps as a piece of advice, and I hope the member who moved the motion receives it with the graciousness intended, and that is, I myself could certainly support a motion that perhaps stated "That in the opinion of this House the government should study bankruptcy legislation to determine whether wages and pensions owed to employees should be the first debts repaid when a bankruptcy occurs".

Frankly, there are some concerns I have, particularly as it regards smaller investors who put a lot of their income into a company, as to whether they should be the first or whether wages and pensions should be the first. I think that is a legitimate debate. I am not prepared at this point to simply say that the wages should be the first debts that are repaid.

While I do not support the motion, I certainly appreciate its intent. I am glad to have had the opportunity to discuss this issue in the House today.

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, first, I would like to congratulate the hon. member for Churchill for her initiative. I believe her motion is not only a step toward correcting an unfair situation—and I think she proved that well—for workers, but is full of common sense.

I shall read the motion, because I think it is important that everyone keeps it in mind for the rest of the debate.

> That, in the opinion of this House, the government should amend bankruptcy legislation to ensure that wages and pensions owed to employees are the first debts repaid when a bankruptcy occurs.

As the hon. member for Churchill has already said, workers are the first victims in a bankruptcy. As a general rule, when there is a bankruptcy, decisions have been made by the administrators and owners of the companies, and they also pay the price, but on the basis of their own responsibility. The workers, however, usually do not have much control over the way their work is organized, or the way the company is organized, and find themselves paying for all the damage.

As things stand now with the Bankruptcy and Insolvency Act, I recognize some of the same spirit as in the Employment Insurance Act. Under that act, the two-week waiting period somehow implies that the victims of temporary or permanent layoffs have created their own situation. Thus, it has been decided that part of the cost of a layoff should be paid by the victims, the workers.

We find the same spirit in the bankruptcy act, which provides that the workers—the employees—find themselves very far down the list of creditors when the assets are sold.

The hon. member for Churchill mentioned that, but I think it is worth repeating. We know that the first ones in line to be paid are the governments, for such amounts owing as income tax, benefit premiums and other taxes.

The second group would be the secured creditors, in particular, the major banks. At this time, with the record profits that some of them have been making, they are not really to be pitied.

There is a third group of creditors called preferred creditors. This group of creditors includes employees, is only ranked fourth and has a preferred claim that is limited to $2,000.

What historically was to be legislation protecting creditors, particularly small creditors and employees, is now completely changed and devoid of its original intent.

With regard to case law, it is extremely important to see how this legislation, which is unfair, has a domino effect on other legislation, particularly provincial laws, in Quebec, for instance.

I will give an example that took place just two weeks ago. In recent years, case law has taken a direction that has little to do with the historical objective I mentioned earlier of protecting creditors, particularly small creditors and employees.

For employees, especially, three or four years ago there was a decision handed down, known as Barrette v. Crabtree Estate, in which the Supreme Court ruled that it was not possible to consider notice of dismissal as a debt since no services were performed for the corporation. Since then, various courts have given restrictive interpretations, particularly in Quebec.

As I was saying, based on this restrictive interpretation that wages must be in compensation for services rendered, but that everything else—such as benefits—is not considered wages by the Supreme Court, the court ruled that it was not a debt because it does not flow from services performed for the corporation.

So case law in this instance only adds to the problems with the Bankruptcy and Insolvency Act. I think that the motion moved by the member for Churchill is a step in the right direction, even though I think we need to make some clarifications in future debate. A motion is an opinion given by the House to the government.

● (1840)

I hope that this motion is adopted. There needs to be debate on this, particularly the notion of what constitutes wages. As I was saying, three or four years ago, the Supreme Court's ruling contained a very restrictive interpretation of what constitutes wages. Wages are remuneration paid for services performed.

Quebec's Court of Appeal gave similar rulings in 1998 and 1999, which means that now, in the context of case law, the real issue is not wages, but services performed.

This restrictive interpretation is found in a judgment that just came down by Quebec's Court of Appeal on May 5, in a case between the Syndicat des travailleurs et des travailleuses du restaurant Le Deauville, affiliated with the CSN, v. the owner. You will recall that I was the general secretary of the CSN for eight years, so I still feel close to this labour federation.

The Appeal Court decision upholds the restrictive interpretation of wages, based on the Supreme Court decision. Naturally, the union had its case dismissed. I will go into more detail. The parliamentary secretary was completely right, this is not a partisan issue. However, in my view, the case law aspect should be added to the current debate on Motion M-400 put forward by the member for Churchill.

The Appeal Court ruled in favour of the owner, the administrators against the union. I can assure members that the CSN will appeal the decision.

We know—this was mentioned by all the stakeholders—that wage earners are preferred creditors, but only up to $2,000. To get more than $2,000, one has to file suit against the administrators under the Companies Act, which is an area of Quebec jurisdiction.

The wage earners from Le Deauville restaurant decided to go to court to recover amounts of just over $79,000 representing statutory holidays, sick leave, group insurance premiums, union dues and compensation benefits in lieu of notice. We are talking about a very significant amount of money.

The owner of the restaurant had had difficulties. Over the years, he had failed to pay the insurance policy, as provided for in the collective agreements, and which is a wage issue. As a result, the policy was cancelled in August 1998. There had been no paid sick leave since 1997. This was money owed the wage earners that had never been paid to them.

The question the union asked with a view to recovering all this money was what exactly a wage is. We are confronted to two different notions of wage. That is why I think that Motion M-400 by the hon. member for Churchill opens a debate which should extend to this whole issue. Finally, is wage compensation, in legal tender and benefits having a monetary value, for the work or services of a wage earner or is it, as ruled by the Supreme Court, simply compensation for services rendered.

It seems to me that, when wages are negotiated in a collective agreement, wage is not only the hourly wage paid, but all financial benefits. In fact, employers remind us of that on a regular basis.

It seems to me therefore that the concept of wages must be clarified and that it must encompass all financial benefits. What is of interest in the court decision is that the appeal court states that, lacking any additional legislative guidelines, provision of services by the employee represents the cornerstone of directors' personal responsibility for company debts.

The Quebec court of appeal is therefore calling upon lawmakers, which include elected members of Parliament, to clarify a number of concepts that have evolved over time. It seems to me that Motion M-400 ought to comprise the point made by the hon. member for Churchill relating to making workers secured creditors, but that another concept needs to be added: that wages must include all financial benefits derived from work. It is extremely important, therefore, that we work around that concept.

● (1845)

If Parliament wants to work seriously, Motion M-400 must be adopted, because it will force us into some extremely complex debates. I am aware of that, but they are also unavoidable. This must be done if we really have the interests of the Canadian and Quebec population at heart, since, as we all know, most of them work for private companies that are liable to go bankrupt and these workers unfortunately very often end up deprived of their rights.

To that end, therefore, that is to trigger a debate on all these concepts relating to the Bankruptcy and Insolvency Act, we are going to support Motion No. 400 without reservation. Unlike the Alliance members, despite this being a free vote, all members of the Bloc Quebecois are going to vote in support of the motion by the member for Churchill.

● (1850)

[*English*]

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, it is an honour to speak to the private member's motion put forth by the member for Churchill. This is another example of this member's considerate and compassionate attitude toward her fellow workers and fellow Canadians. It is a good way to bring this particular issue before the House.

I am not expecting that we will be very successful in getting it passed. It raises the issue, highlights it, and enables all Canadians to look at it perhaps in a different way and make up their own minds as to whether they would like to see this type of legislation in place or not.

The Progressive Conservative Party certainly agrees with the main thrust of the motion. We understand that thrust to be mainly looking after and paying certain unsecured creditors. The motion reads:

> That, in the opinion of this House, the government should amend bankruptcy legislation to ensure that wages and pensions owed to employees are the first debts repaid when a bankruptcy occurs.

I do not think that we should look at workers and the moneys owed to workers by their employers and the moneys owed to their pension funds which most of the time are the workers' own money any differently than we would look at unsecured creditors. That is the basis of this motion.

As bankruptcy legislation works now, we look to pay the unsecured creditors first. I see no reason why we should not look to pay the back wages owing and the moneys sitting in pension plans to the employees who rightfully deserve to be paid. That is not saying that we should pay the unsecured creditors as well.

Quite often these employees find themselves holding out their hand in the direction of their bankrupt employer and yet they go away empty handed, not unlike Dickens' Oliver who also held out his hand and said, “Please, sir, more gruel”. In this case there is no more gruel to come.

Sometimes employees and other unsecured creditors in Canada do not even get anything to begin with. Therefore they certainly could not go to the table and ask for more. It is a difficult and dismal situation. Sometimes they do not get compensation or payment for wages and hours worked. Often they end up with nothing in the face of a bankrupt employer, while at the same time unsecured creditors, sometimes suppliers or distributors, will be entitled per legislation to recover at least some of the money owed to them. This leaves the employees with no legal or legislative avenue open to them that might enable them to recover some of their money for wages that are rightfully theirs.

However admirable the motion might be I am not suggesting that the motion is perfect. It may deserve some slight tinkering to make it correspond even more closely to the hon. member's implicit objective.

● (1855)

Members must not forget why bankruptcy legislation exists and how it came about. I recently made a brief reference to Charles Dickens, the great 19th century author who died in 1870. I did so because of his famous character Oliver Twist who asked for more but was denied. Some reading members in the House of Commons might know who Oliver Twist was. Just after Dickens' death, the Canadian government started to deal legislatively with bankruptcy and insolvency matters. That is why most of the reading members of the House enjoy history and biographies, and understand a bit about who we are because we know where we came from. This is an issue that has been around for quite some time.

In the 19th century Canadian bankruptcy legislation was never widely accepted as a means to distribute assets to creditors or as a way to provide a debtor with a fresh start. In 1880 Parliament repealed the Insolvent Act of 1875 and abandoned its constitutional jurisdiction over bankruptcy and insolvency until 1919.

The absence of a national market in the 1870s made a federal bankruptcy law premature. The bankruptcy discharge challenged the very nature of local credit relationships that depended upon trust and emphasized the moral obligation to repay debts. Looking at that statement alone, there is a moral obligation in a bankruptcy case to repay a debt, and part of those debts are employees' wages and certainly pension plans.

Arguments in favour of a national law focused on the advantage to creditors trading over distances. However, uniform legislation was not a widely accepted goal. A repeal in 1880 was emblematic of the weakness of the national economy. The passage of the Bankruptcy Act of 1919 can be linked to major changes to the Canadian economy.

By 1919 uniform bankruptcy legislation could no longer be delayed in an expanding national market. A new national interest group, the Canadian Credit Men's Trust Association, emerged just prior to the war and played a significant role in leading the call for reform. Credit relationships became less dependent upon matters of character and the bankruptcy discharge became more acceptable as a central feature of the legislation.

In the 1870s, the absence of a strong government department and bureaucracy inhibited the implementation of stable and lasting legislation. In 1919 bankruptcy reform coincided with an unprecedented growth of federal regulations during the war. Federalism also affected the timing of the legislation.

It has taken nearly 130 years to get to the point we are at today which is having some type of bankruptcy legislation in place that recognizes changes. We have changed the Bankruptcy Act and the bankruptcy law several times. It has evolved with the history of the country as it naturally should. It is time that we looked at it again.

Canadians would tell us that when a company goes bankrupt not only should the unsecured creditors be paid, but also its employees. Not only should they be paid their back wages, but they should also be paid any moneys they put into their pension plans.

Perhaps it is time to take a look at the same relationship with some of the unsecured creditors. Many of these are small unsecured businessmen who owe a lot of debt to a major corporation that has gone bankrupt. These businessmen find themselves in a similar situation to employees. I would not want to ignore the unsecured creditors.

● (1900)

Is it time to take another look at this and open it up to the employees to protect their pensions and the moneys that they have put into the company? Absolutely. Should they be paid for the hours worked? Sure they should.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am glad that time allowed me to take part in this debate. I am very grateful to my hon. colleague from Churchill for bringing this issue to the House of Commons for us to revisit.

We have had this debate once before. In fact, I introduced a private member's bill along these lines about a year and a half ago and we had some interesting debate associated with that too. I for one learned a great deal during the process of developing my private member's bill and I have learned even more during this debate about the imbalance that exists, the basic issue of fairness that is lacking in the current Bankruptcy and Insolvency Act in this country.

I should start by pointing out our gratitude to the member for South Shore for his enlightening comments and history lesson as it pertains to bankruptcy. People would be interested to know that there are over 10,000 bankruptcies a year in Canada. I do not have the exact dollar figure with me at this moment, although I do have it somewhere in my office. I believe it is $1.8 billion in lost wages that are left on the table due to those 10,000 bankruptcies per year. I believe that is the figure. I could be wrong, give or take a little. It is a huge issue and it affects a great number of workers, so we are not dealing with an abstract esoteric issue here.

Most Canadians would be shocked to learn that back wages, pension contributions, holiday pay and other forms of compensation, such as a salesman's commissions, are often not recovered by the employees in the event of their employer going bankrupt. The reason this is so fundamentally wrong, and offends me and others, is that there is a trust relationship that is developed between an employer and an employee. Whether it is in a written contract or collective agreement or even if pen to paper never happens at all, that relationship and obligation exists.

The deal is that the employee performs a service for someone and that person pays the employee for that service, but all the power still resides with the employer. It is an imbalance in that trust relationship, which is all the more reason why, in the event of the employer finding itself in an insolvent position, that employer has an obligation in that trust relationship to live up to the contract, either written or implied.

The argument has been made that banks and other investors should have the status that they enjoy currently of being preferred creditors. I argue that the banks and other investors know full well the risk of investing in a company and they factor in that risk by charging interest. In fact, the banks and other investors are being paid for that risk throughout the life of the company and have been paid back at least in part for some of the money loaned. Often what remains is the interest on the loan, so whoever the financial backers of the bankrupt or insolvent company are have already recouped some of their investment. They knew full well the risk going in and may have enjoyed dividends throughout the life of that company prior to its going bankrupt.

It is a much different situation for the employee who, my hon. colleague from Churchill pointed out, is often living in a much more hand to mouth marginal existence. Two weeks of lost wages can make a significant difference in the life of a low income worker. The risk is quite different and the relationship is quite different. The relationship between the employer and the employee is unique in all the relationships being contemplated in bankruptcy. Certainly we argue it is the employee who should have first dibs on whatever assets remain.

The employer often does not care, frankly. In fact, if one were to ask most owners of bankrupt companies, they would rather that whatever assets they may have left after the bankruptcy went to their employees, I would like to believe that anyway, because they have already walked away from the company. They are not their assets that are being distributed any more. They are the remaining flotsam and jetsam left over after the employer, the owner, has walked away from the bankrupt and insolvent company.

● (1905)

Another point I would like to make is on the amount. In the current legislation the amount of $2,000 is the maximum amount that an employee can recoup, if there is anything left after all the other creditors have had their go at whatever assets are left of the company.

That $2,000 maximum is totally out of touch with the reality of today's wages and the possible amounts owing to employees. It was in 1992 that the figure was quadrupled from $500 to $2,000. It is now a decade later. Surely that figure should be revisited and I would argue increased dramatically.

In the case of compensation of commissions owing to a salesperson for instance, these are only sometimes paid out. It is unfair that employees should rank so low in the pecking order of who gets paid from the assets remaining in a bankrupt company. The maximum in the current legislation is completely unfair and should be increased in a very dramatic way.

The member for South Shore referred to a moral obligation to repay debt. I think he is mixed up. Even in the Bible there is no reference to the duty to pay back money. The only reference in the Bible is it is immoral to charge interest on a loan.

I would say the moral obligation is not an issue in this sense. The debt owed to investors is already dealt with in part by the interest and by the profits enjoyed.

[*Translation*]

The Deputy Speaker: The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

* * *

MESSAGE FROM THE SENATE

The Deputy Speaker: Order, please. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed a bill, to which the concurrence of this House is desired.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

EMPLOYMENT INSURANCE

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.): Mr. Speaker, the matter I would like to address before the House of Commons today is that of the federal government's hidden property tax. This works in several ways. I bring this issue up to follow up on a question I asked the Minister of Finance earlier this year. The item I addressed in that question was the employment insurance premium overpayment.

Employers and employees are required to pay into the employment insurance fund but the premiums that they pay exceed what the fund requires. That excess money nationwide is to the tune of $5 billion a year. That excess money is dropped into the consolidated revenue fund of the federal government.

In the case of municipalities, they are required as employers to pay out that EI overpayment. But municipalities get the money to pay their employment insurance premiums from property taxes. The property taxes are supposed to be used to provide services to the property. That excess money that is being siphoned off to the consolidated revenue fund of the federal government is in effect a federal property tax. That is not appropriate.

The Minister of Finance in answering the question when I asked it earlier this year said he did not understand what I was talking about. I think he just dodged the question. One of the things I would like in the reply is an acknowledgement of whether or not this is understood.

Clearly the former finance minister understands it because he has been making some comments publicly, as has the Minister of Transport, about the GST that municipalities have to pay. That too is a matter in which municipal property taxes are being diverted to the consolidated revenue fund of the federal government. That is not right because taxation between governments should be revenue neutral. Otherwise we get this unfair situation and the inappropriate use of property taxes.

The excise tax on fuel is another example. Municipalities of course spend a lot of money on fuel and the federal excise tax on fuel has to come from the property tax base. There are all these examples: the excessive employment insurance premiums municipalities are required to pay; the excise tax on fuel; GST on services and goods that they procure to provide services to the properties.

I am saying that municipalities should be refunded their excess EI overpayments. They should be GST exempt. They should be exempt or receive a refund for the excise fuel tax. In that way municipal property taxes will not be diverted into the consolidated revenue fund of the federal government.

I am asking the government to acknowledge that it understands what I am saying and what steps it is prepared to take to reverse this unfair situation. As I say, the former finance minister and the Minister of Transport in recent days have publicly talked about the need to leave more resources in municipalities where it is required because of the emerging importance of infrastructure renewal.

● (1910)

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, first, I would like to make it clear to the member that I understand the question very well. I come to the House with 12 years of municipal experience and, as a former president of the Federation of Canadian Municipalities, I think I can say with some certainty that I understand the question.

However I would point out to the hon. member that if he wants to talk about the Constitution and about empowering municipal governments, those are different issues.

What the member is suggesting tonight, however, is something which I want to point out very clearly: the municipal governments are treated no differently than any other employer. All workers and employers are required to pay employment insurance premiums. As members know, for the last 10 years the rates have continually gone down since the government came into office.

The member raises the issue that this is unfair to municipalities because they raise money through the property taxes. However their workers benefit, obviously, if they are unemployed, similar to workers in any province or in the federal government.

The fact is that there is a responsibility for employees and employers to pay employment insurance premiums. The employer in this case happens to be city X, and that is what it is doing. Cities are not treated any differently or unfairly.

The GST issue is a whole different issue on which I will talk with the member some other time.

However I would point out to the member that the government reduced the EI premium rate for 2003 to $2.10 from $2.20, and proposed in budget 2003 to set the premium at $1.98. This will mean a savings of $1.1 billion in 2004, compared to 2003. Therefore we are continually reducing EI.

The minister has gone further. We know there is now a review, a whole EI setting mechanism and consultation, which will be completed at the end of this month. That is very important. We will get the stakeholders. Yes, it does go into consolidated revenue but that is because the Auditor General said, in 1986, that we could not have a separate EI account. That has been, and continues to be, something suggested in the House, which in fact is a fiction of some people's imagination. The reality is, yes, it goes in there.

The minister has said that we will have consultations, which is what he has been doing. We want to make sure we take into account and design a permanent premium setting rate, one that will realistically deal with those whose needs are there. We do not want it to be underfunded, and that is important.

However the municipal issue is a red herring because very clearly the municipalities are treated no differently than anyone else.

I sympathize with the member. I know the member is now showing an interest in municipal politics and I would be more than happy to talk to him about municipal politics any time. However the reality is that there is no difference.

I would say to him that had we written the Constitution today, instead of in 1867, and had certain amendments been accepted in 1981-82, the municipalities would have had many of the things that the member would like to see.

● (1915)

Mr. Jim Pankiw: Mr. Speaker, I thank the hon. member for his response and, clearly, he does understand the issue. If the Constitution was written today, I am sure he is quite right. However what we are going to see is a new relationship emerge between the federal government and the municipalities. The former finance minister, and mostly likely the next Prime Minister of Canada, has said as much himself.

It is true that municipalities will have to be given more power but there is nothing in the Constitution that would prevent making taxation between governments revenue neutral.

The hon. member said that the federal government has been continually reducing employment insurance premiums. While that is true, there is still an overpayment. He said that the federal government treats the municipalities the same as any other employer, and that is the whole point of it. He also said that the workers benefit from the EI plan. They would still benefit from the plan if the municipalities could get that overpayment back from the federal government. In that way, our property taxes would not be diverted to Ottawa.

This taxation by stealth to municipalities results in millions of dollars being siphoned away to Ottawa where it is wasted on questionable schemes like the firearms registry. That money belongs in the municipal tax base.

Mr. Bryon Wilfert: Mr. Speaker, as I indicated to the hon. member, in fact, rates have been coming down. There is consultation going on and I would invite the member to contribute his thoughts with regard to the consultation issue on EI rate setting.

Essentially though, the power of municipal governments to get out of property taxes is in the hands of the provinces. It is not in the hands of the Government of Canada. If the provinces want to allow a municipality to have a hotel tax, part of a gas tax, or any kind of tax, they have that power and responsibility under section 92 of the Constitution.

In 1994 the Government of Canada became the first government to deal directly with municipalities when it came to the national infrastructure program, something the municipalities had been asking for 10 years. It was this government that said it would deal directly with municipal governments in areas dealing with the environment. It set up a 20% club to reduce $C0_2$ emissions by 20% over 10 years.

It was this government that said, on the payments in lieu of taxes, which I know the hon. member is concerned about, that the federal government will now be treated like every other taxpayer. If we do not pay on time, we get a penalty. We must go through the same process of appeal, et cetera. It was this government that brought in that legislation. The Canadian Alliance, of which the hon. member was unfortunately a member at the time, voted against it.

I am glad to see at least that the member is on the road, and is now understanding the importance of municipal government and the work we are doing together.

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 7:18 p.m.)

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