



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Monday, November 15, 2004**

—  
**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, November 15, 2004

The House met at 11 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

### INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT (AIRCRAFT EQUIPMENT) ACT

The House proceeded to the consideration of Bill C-4, an act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, as reported from committee without amendment.

• (1100)

[*Translation*]

#### SPEAKER'S RULING

**The Speaker:** Given that this is a new Parliament with many new members and that this is the first occasion that we are considering report stage motions to amend a bill, I would like to take this opportunity to briefly explain how report stage motions are treated by the Chair.

[*English*]

There are two initial decisions that the Speaker takes on each motion. The first one concerns procedural admissibility. If the motion does not respect the general rules of admissibility it will not be printed on the notice paper and will be returned to the member with a short explanation. This means there is no opportunity to debate such motions.

The second decision concerns whether the report stage motions on the notice paper will be selected for debate.

The Speaker has been rigorously exercising a power of selection since March 21, 2001, following an amendment to the Standing Orders made on that day, as I recall. The purpose of this discretionary power of selection is to ensure that the main opportunity for amending a bill is in committee stage and not later at report stage in the House.

Report stage exists as an opportunity for the House to examine a committee's work on a bill. If report stage either duplicates or replaces committee stage, then its original purpose is lost and the valuable time of the House is wasted.

The Speaker uses the following criteria for selection: report stage motions will not be selected for debate if they were ruled inadmissible in committee; they could have been presented in committee; they were defeated in committee; they were considered and withdrawn in committee; they are repetitive, frivolous or vexatious; or, they would unnecessarily prolong the proceedings at report stage.

[*Translation*]

Motions may be selected if they further amend an amendment adopted by the committee, make consequential changes to the bill based on an amendment in committee, or delete a clause.

[*English*]

If members believe that their report stage motion is of exceptional significance but does not meet the selection criteria, they should send a letter of explanation to the Speaker. From time to time the Chair may be persuaded to override the selection criteria in the interest of fairness, and this letter should be sent when the report stage motion is submitted to the Journals Branch.

Finally, I would like to urge all chairs of any committee with a bill before it to afford new members of Parliament every opportunity to participate fully. I recognize that this may take a little extra time but better in committee than in the House.

I would also remind all hon. members, experienced and new, that the committee staff are ready to answer any questions that you may have.

For Bill C-4 there are six motions in amendment standing on the notice paper for the report stage.

[*Translation*]

Motions Nos. 1 to 6 will not be selected by the Chair because they could have been presented in committee. Consequently, the House will proceed to consider the motion to concur in report stage.

• (1105)

[*English*]

**Hon. Aileen Carroll (for the Minister of Transport)** moved that the bill be concurred in.

(Motion agreed to)

**The Speaker:** When shall the bill be read a third time? By leave, now?

**Some hon. members:** Agreed.

*Government Orders*

•(1110)

**Hon. Aileen Carroll (for the Minister of Transport)** moved that the bill be read the third time and passed.

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I am pleased to have the opportunity today to rise and address the House on Bill C-4, the international interest in mobile equipment (aircraft equipment) act.

The bill would permit the implementation of the provisions of the convention on international interests in mobile equipment and the protocol to the convention on international interests in mobile equipment on matters specific to aircraft equipment that are within federal jurisdiction. It incorporates most of the provisions of the convention and protocol by reference and other provisions through amendments to existing legislation.

The convention and protocol will establish an international harmonized framework for the financing of aircraft equipment. Within this framework the value of the aircraft would be used as a security for payment as in the case of a mortgage or a financing lease.

The adoption of the legislation and the eventual ratification of the convention and protocol will help the Canadian airline and aerospace industries compete more effectively in the global economy by providing greater security for creditors.

The proposed amendments to the federal legislation will reduce the financial risk to creditors, allowing them to make greater levels of financing available for aircraft purchasing at more competitive rates. This will translate into lower costs for airlines purchasing or leasing aircraft which in turn will enhance their competitiveness and strengthen the airline and aerospace sectors. The expected result is a direct positive impact on earnings, investment and overall profitability for the Canadian aviation sector.

Canada played a leadership role in the negotiation of a convention and protocol because various groups, including provinces, territories, airlines, industry associations and aircraft manufacturers, supported the objectives of the instruments.

The convention and protocol were negotiated over the period of 1996 to 2000, with the support and participation of various groups. The negotiation process came to fruition in 2001 with the adoption of the instruments at a diplomatic conference in Cape Town, South Africa.

For the record, I want to read some notes about what happened.

In 1988 a Canadian delegate to the International Institute for the Unification of Private Law, UNIDROIT, was the first to propose the establishment of an international registry for security interests in aircraft. Since then, the governments and industry worldwide have cooperated in developing the convention and aircraft protocol.

Canada's active involvement in the negotiations, leading up to the adoption of the convention and aircraft protocol, highlighted its commitment to seeking global solutions to global problems, in cooperation with the rest of the international community.

It is evident, with recent events such as September 11, the global economic downturn, high fuel prices, SARS, which was an epidemic

in my riding, that the aviation sector is particularly vulnerable to economic shocks and other geopolitical events. The industry needs to harmonize the international legal regime to reduce risk and increase certainty for the aviation creditors and this protocol will do that.

On March 31 Canada became the 28th state to sign the convention and protocol. Other countries with significant airline and aerospace industries, including France, Germany, the United Kingdom and the United States, have also since then signed.

Along with the adoption of the convention and protocol, Bill C-4 provides for targeted amendments to various piece of insolvency legislation and to the Bank Act. There are currently various periods within which creditors are subject to a stay under the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Winding-up and Restructuring Act. There are no existing rules that apply specifically to aircraft and aircraft equipment. This is something that is hamstringing the industry. The industry is asking for a unified solution. The industry is asking that we come forth with specific regulations to the industry, and this is what we are trying to do here today.

•(1115)

Bill C-4 and the convention and protocol that it seeks to bring into force provide for a special remedy for creditors in the case of insolvency. It would impose a maximum stay period of 60 days on creditors with security on aircraft or aircraft equipment. This would give creditors, the financiers and the companies 60 days in which to come to some sort of an agreement or to hash things out. The adoption of this stay period will allow creditors to reclaim aircraft or aircraft equipment after 60 days if the debtor does not incur defaults under the security agreement. This will increase certainty for creditors by reducing their financial risks, resulting in lower financing costs.

Let us go over a couple of other facts. Consumers will benefit too through increased airline services and/or lower fares. Another benefit of facilitating the acquisition of more modern aircraft is that air transportation can become safer and environmentally cleaner.

The adoption of a fixed 60-day period will level the playing field between Canada and the United States, since the United States already benefits from a similar provision under the U.S. bankruptcy code. Stakeholders were consulted and supported the proposed approach.

The adoption of significant amendments to Canada's insolvency laws is expected to have benefits for Canadian aircraft manufacturers, financiers and airlines on the international level.

The convention and protocol would also establish an international registry in which interests in aircraft equipment would be registered.

*Government Orders*

Currently, in Canada each province and territory maintains its own registry and the federal government maintains a separate registry, as mandated by the Bank Act. We have one central registry for Canada and throughout the provinces other registries, which certainly hamstrings the industry and it presents obstacles for the industry. Bill C-4 would try to smooth things by having one international registry. The establishment of a single worldwide registry would replace the federal and provincial registries and would greatly simplify aircraft registration. We are talking about one registry, world wide.

If people want to see what is happening with the planes, or who owns them or who has liens on certain planes, they can go to the proposed registry 24/7 and see how they can reclaim equipment. The creation of the international registry is viewed by stakeholders, including the legal community, manufacturers and financiers, as providing a considerable advantage in terms of time, cost savings and improved certainty.

The Bank Act special security regime also allows banks in Canada to register security interests on a national basis for certain products listed in the act. The type of products that can be registered under the Bank Act are technically broad enough to include aircraft equipment covered by the new protocol. However, it appears that the Bank Act special security regime is rarely, if ever, used to register aircraft.

By bringing Bill C-4 forward, we would have an international registry. We could register aircraft and people could act upon it. Nonetheless, amendments to the Bank Act would be required to avoid potential overlap with a proposed international registry. The most effective means of doing this would be to remove aircraft equipment from the scope of the Bank Act, as set out in the bill.

Normally, matters relating to security interests fall within provincial jurisdiction. The provinces, through the Department of Justice Advisory Group on Private International Law, identified this initiative as one that we should pursue. As a result, Canada participated in the development and negotiation of the convention and protocol.

• (1120)

Once again I would like to state the work that was done by individuals throughout the whole process. A Canadian came out with it about 16 years ago. He said that we had to have this. A delegate to the International Institute of Unification of Private Law, UNIDROIT, was the first to propose the establishment of an international registry for security in aircraft. This is something of which we, as Canadians, can be proud. This is something that puts Canadians ahead and is an example for the rest of the world to follow.

Provinces were regularly consulted and showed support throughout the process leading to the adoption of the instruments. As an aside, I hope we have such cooperation with the provinces in all the work that we do in the House. Provinces to date continue to be consulted through the Department of Justice Advisory Group on Private International Law and the Uniform Law Conference of Canada and consistently demonstrate interest and support for the convention and protocol.

Some provincial implementation legislation will be required before the convention and protocol can take effect in respect of

Canada. With this in mind, the provinces developed a uniform implementing act at the Uniform Law Conference of Canada. Since then, Ontario and Nova Scotia have passed implementing legislation that will enter into force when the instruments take effect in Canada. We are working with other provinces and territories to ensure that what Ontario and Nova Scotia have piloted and brought to table will be followed. Adoption of the bill will encourage the remaining provinces, especially those with significant aviation interests, to pass their own implementing legislation.

I reach out to members across the way, as well as members on this side of the House, members who represent those provinces which have a significant aviation industry, to talk to their provincial colleagues and say to them that it is time we do this, that we should get on with it to ensure that Bill C-4 is a unified bill in Canada and that Canada is one of the first which is unanimously there.

This is an important step toward eventual ratification of the convention and protocol which would confer significant benefits to Canada's airline and aerospace industries and to the Canadian economy more broadly. I look forward to the passage of Bill C-4 and encourage all my colleagues to support it.

**Mr. Paul Forseth (New Westminster—Coquitlam, CPC):** Mr. Speaker, I appreciate the member's comments, but I wonder if he could advise the House on how the bill relates to the international list of countries. How does it relate to the relationship to the United States and the European Union? Perhaps he could also talk about countries outside the European Union like the Soviet Union, Belarus and other countries. We have aircraft that go back and forth from these countries. However, the ability to have financial claims is a concern. Canadian investors have a great concern in investing in Russia because of the way it treats the discharge of debts.

Could he comment on how the bill relates to other countries on the list? Does that stand us in good stead? Are we ahead or behind or are we just following along?

• (1125)

**Hon. Jim Karygiannis:** Mr. Speaker, Canada is a leading contender in trading with other nations besides our biggest trading partner the United States. Our third biggest trading partner is China followed by the work we are doing with the European Union, another large trading block of ours. If memory serves me correct, there are over 68 countries and more countries have been invited to sign the protocol.

We are constantly reaching out to member countries that have an aerospace industry, countries that we fly to and that fly into Canada. I encourage them to sign on. The United States was one of the first countries to sign the protocol. European countries have been at the table.

We are looking forward to working with all members in the House of Commons as well as with our international contacts to ensure that this is an international registry and to ensure that the rule of law applies uniformly throughout the world. In countries where the rule of law does not exist, we will at least be there and ensure that leases and mortgages for aircraft are there for people to answer that concern.

*Government Orders*

**Hon. Rob Nicholson (Niagara Falls, CPC):** Mr. Speaker, the parliamentary secretary indicated quite correctly to the House that it was going to take more provincial governments signing on and implementing this protocol before it takes effect. He pointed out that both Ontario and Nova Scotia have already signed on.

Earlier in his speech he indicated that the department is in continuous consultation with the provinces with regard to this matter, along with other branches of the federal government. Toward the end of his comments he urged hon. members to contact their provincial counterparts. However, I think he would agree with me, as important as it is to contact our provincial counterparts regarding this important piece of legislation, that leadership will still have to come from the department and the government.

In that regard, is the parliamentary secretary aware of how far down the road we are on this? Can he give us some sort of prediction that we could rely on as to when this is going to be fully implemented? In as much as his department and the Government of Canada are in constant communication with the provinces, how soon is this going to be implemented?

**Hon. Jim Karygiannis:** Mr. Speaker, my hon. colleague is fully aware that, although we set out timelines, little glitches might take us back a couple of days or a couple of weeks.

On March 31, 2004, Canada signed the convention and aircraft protocol. We are currently in negotiations with the provinces. The Department of Justice is working on this as well as the Department of Transport. We hope to have it ratified sooner rather than later. If I were to guesstimate, I would say that this should be in place sometime in early or mid-2005. Should the bill go through here today and through the Senate, that would lead the way in ensuring that ratification of the protocol goes through the provinces quickly.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I was of the impression from committee meetings that the signing on by other provinces was not necessary for this process to take place. As long as the provinces that had signed on wanted to be involved it could still happen. I was of the impression that it was not absolutely necessary for each and every province to sign on and that they could do it at any given time. I wonder if the member would care to comment on that.

**Hon. Jim Karygiannis:** Mr. Speaker, we want to encourage the provinces to join in and we are working to that effect. Two provinces that have great aircraft and aerospace technology have signed on. We hope that other provinces will sign on so we will be able to speak as one voice and when we do go to the international registry, the whole thing, as one would say, would hum on all four cylinders. We are all working in order to make that happen.

• (1130)

**Hon. Rob Nicholson (Niagara Falls, CPC):** Mr. Speaker, Bill C-4 is called an act to implement the convention on international interests in mobile equipment and the protocol to the convention on international interests in mobile equipment on matters specific to aircraft equipment. That is quite a mouthful. Bill C-4 would establish an international registry whereby creditors and debtors could register interests in what is referred to as mobile equipment. Mobile equipment is more specific than that generic term. It includes aircraft, helicopters, and could even include satellites.

What can be reasonably said about this is that there has been unanimous consent and support for this legislation, and I think that is appropriate. The matter was referred to the Standing Committee on Transport after a reasonably short debate in the House and it was interesting to me that we did not have one objection to this piece of legislation. We had, on one afternoon, representatives of the aircraft industry and they made generally very supportive comments. I was a little surprised that right at the final minute of the testimony it was suggested to us that a couple of minor amendments could be made to the implementing legislation.

As you know, Mr. Speaker, you ruled earlier today that those amendments will not be entertained. The Senate has a role in our parliamentary system, and part of that role is to have another look at those things that are done by this chamber. I would hope that the Senate would have a look at those amendments.

I believe that they are technical in nature. Indeed, one of them is very technical. One of the amendments is to remove one of the zeds that describes one of the subparagraphs. I am sure there will be many controversial matters before the 38th Parliament. Removing one z from the English translation of this is not something that will be objected to, I am quite sure. I hope that the Senate would have a look at that.

The representatives of the industry also pointed out a number of things in relation to the definition of a creditor. They indicated that the definition of a creditor in English common law is somewhat dissimilar to that for instance in the civil code. They were concerned that any definitions that were used in the bill would coincide with the different types of law so that there would be some certainty. Indeed, that is what this bill is all about, it is to establish some certainty in this particular area.

That is a good thing, and not something that is unusual. We have a couple of different systems of law in the world. When Canada drafts legislation, we must be cognizant of the fact that one of the provinces of Canada has a civil code and nine of the provinces have English common law. Throughout the world, it is split basically between the two systems of law.

I always remember a colleague of mine who was trying to get some evidence entered into a court case in Sweden. He had his client prepare what we refer to as an affidavit in common law. The affidavit is a statement by an individual that is then sworn out by a notary public or a commissioner of oaths and affidavits. My colleague sent this to Sweden with the appropriate translation. I asked him some time later how it went and he said that the authorities had no knowledge of what we were talking about in regard to affidavits. Because one swears to a statement as being true does not make it any more or less true within the system of law as it is applied in Sweden. So, again we see the two systems of law coming together.

When it was brought to our attention in this particular legislation that we should have another look at the definition of creditor, and that we should clarify the provisions with respect to bankruptcy, one of the areas of federal jurisdiction, it seemed to me to make sense.

*Government Orders*

•(1135)

I am hoping that those matters will be taken up by the other chamber. If they are brought back here as an amendment, I think we can be reasonably certain that the House will accept them.

Again, the bill itself went through very smoothly. I want to thank my colleagues in the Conservative Party who have taken an interest in the bill. They all had a part in ensuring and satisfying themselves that this was good legislation. I particularly want to thank my colleague, the member for Regina—Qu'Appelle. He realizes that a healthy airline industry in this country is not only good for his province but good for Canada. I appreciate his support in this as I do indeed of all my colleagues. I congratulate the members from the other parties as well.

I think this is a great step forward. In the debate on second reading I pointed out to the House that for a couple of centuries there has been a great deal of certainty in the shipping industry when it comes to security interests. Indeed, the laws as they pertain to all sea going transportation have been relied upon by most of the countries of the world because people want certainty above all else.

I saw an article that talked about some transactions between Japan and Chile. Those two countries, for the purposes of their transactions, adapted certain elements of British admiralty law. Why? It was not because they had to. It was because it made sense that if there was one law, one set of rules governing the shipping industry in the world, then they were better off because it was easier to do business.

It seems to me that this too is a step forward in the right direction. If we have an international registry where creditors, lenders and debtors can look to one place and see whether there is a security interest then we are all better off. This is why it is not a surprise to me that everyone in the airline industry supports this, as well as the lenders. If people are in the position of lenders and trying to finance an airplane, they want to have some certainty that if something goes wrong with the transaction, they will be able to reclaim their security item.

If people are asked if this is a problem, it certainly can be a problem. In the testimony that the committee heard we were told of one example of a plane that a Canadian lender was trying to repossess because of non-payment and he ended up paying off everyone. Apparently everyone had a claim on this plane that was in Mexico. I believe the last person to be paid off was the wife of the airport manager.

This is exactly what we do not want to happen. We are all better off if there is some certainty because the airline industry then can obtain financing at a lower cost and a lower interest because of the security it is able to give. Lenders are more willing to invest in the industry knowing that they can realize on their security if that becomes necessary.

Bill C-4 is a step in the right direction. I have indicated to the parliamentary secretary in my question to him that this is not the end of the debate. Even if the bill is amended by the Senate and it comes back to the House and those amendments are concurred in, work has to be done with the provinces and the sooner the better. Other countries will have a look at what is being done by Canada. If these

countries see that Canada has passed this legislation and implemented this protocol and convention, it seems to me it is an encouragement for them as well.

The sooner we have one system in place in the world, one registry where these security interests are registered, the better off Canada will be. I think that will be a tremendous step forward for the airline industry. Members of the official opposition support this because it is good legislation. The sooner it is implemented the better.

•(1140)

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, I want to say from the outset that the Bloc Québécois supports Bill C-4, as we said when the bill was at second reading.

As we know, this bill seeks to implement two international agreements, namely the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

Of course, this was aptly mentioned by some hon. members previously, but these two agreements, negotiated under the International Institute for the Unification of Private Law, in cooperation with the International Civil Aviation Organization, ICAO, whose head office is in Montreal, were adopted during a meeting of participating countries held in Cape Town, South Africa, in the fall of 2001.

Currently, 32 countries have signed or ratified the convention and the protocol. While the European Union intends to do so, Canada signed these agreements in March 2004. The purpose of these agreements is to have signatory countries standardize their legislation with respect to the security—or mortgage, in layman's language—lenders take on mobile equipment such as aircraft or trains.

These agreements also provide for the creation of an international aircraft registry that will make it easy for lenders to find out about the state of an aircraft or whether it has been mortgaged, by how much and by whom.

At the present time, there is a great deal of confusion. A carrier can be subject to the law of one country, have loans from lenders in two different countries, owe money to an aircraft engine manufacturer in a fourth country, who has placed a security on one engine in the event of non-payment. Worse still, when lenders decide to execute a seizure, the good itself could be located in a fifth country.

If these countries do not standardize their laws, especially with respect to the order in which creditors are paid, endless legal battles can ensue, leading to long and expensive delays when the airline company is unable to make payments.

Furthermore, contradictory legislation causes a great deal of uncertainty and increases the risk for the lender, who often compensates for this by charging higher interest. Moreover, currently every country keeps its own aircraft registry using its own criteria, which might create a great deal of confusion.

*Government Orders*

Passing this bill and other similar legislation in other parts of the world will help end the confusion, reduce risks to lenders and, thus, costs to borrowers. It will help improve the capacity of airlines to purchase aircraft. In turn, this will help the aerospace industry which sells the aircraft, not to mention that it will be easier for companies in the industry to deliver the aircraft under lease, if their assets are better protected.

Before ratifying the convention and the related protocol, Canada must first adapt a number of its laws. It has to abolish its national aircraft registry and replace it with the international registry. It also has to amend its Bank Act, Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act, and Winding-Up and Restructuring Act. That is the purpose of Bill C-4.

Of course, this legislation can deal only with matters of federal jurisdiction. Matters relating to loan guarantees are more matters of civil law, which comes under provincial jurisdiction. Therefore, the implementation of the convention and protocol will be possible only if Quebec and the provinces also amend their own legislation.

All the more reason to involve the provinces closely in any negotiations and in the signing of international agreements. In addition to allowing them to defend the interests of their citizens, such involvement would make the implementation of international treaties much easier.

Let there be no mistake. I hope the government realizes that, while Bill C-4 is a step in the right direction, it does not solve the real problem in the aerospace industry, which is the lack of an aerospace policy.

In case this government has forgotten, especially because of its lack of action, Quebec's aerospace industry, which has sales of \$14 billion and which employs more than 40,000 people, accounts for close to half of high-tech jobs in Canada. Of the 250 companies in this sector, 240 are SMEs. It is urgent that the government put in place a real aerospace policy.

The aerospace industry exports 89% of its production and must be competitors, which get much more support.

• (1145)

We know that two of the main employers in Quebec's aerospace industry are Bombardier and Pratt & Whitney. They have facilities in Longueuil in my riding. Both of these jewels of Quebec's industry have condemned the insufficient federal support for an industry which is facing strong competition. If the federal government does not act, the United States or Great Britain or some other country will move in. Endangering these two jewels of the aerospace industry would not only threaten 40,000 jobs; it would also be a hard blow to numerous small and medium-sized enterprises serving that sector.

As the Minister for Transport was saying, the aerospace industry is to Quebec what the automobile industry is to Ontario. I want to say to the minister that it is time to take action and move quickly to implement a real aerospace policy. Ontario has been benefiting for decades, in terms of federal support, from special regulations, substantial grants and even special trade agreements like the Auto Pact.

Ratification of international agreements is one thing, and the Bloc Québécois supports Bill C-4 in principle. However, we also must act swiftly on the domestic scene. Besides, Canada has nothing to be proud of, since it is practically the only developed country which has no clear and consistent policy in this area. Everywhere else in the world, it has been acknowledged that this sector must have the support of high technology research and development before it can design its final product. In other words, huge investments must precede marketing. Therefore, this industry is highly research and development intensive. Other countries have understood that, but Canada still has not. This is why the Bloc Québécois has been calling for an aeronautics and aerospace policy for years now.

As far as Bill C-4 is concerned, the convention has a number of advantages for the transportation industry. By clarifying and harmonizing the rules concerning securities and inaugurating a single and readily accessible register, the convention lessens the risks for lenders and for lessors. If the contract is less risky, financing will become easier for airlines to obtain, and the cost of borrowing, that is the interest rate, is also likely to decrease. All of this ought to make things easier for airlines wishing to acquire new aircraft as well as improving prospects for the aircraft construction industry.

The purpose of Bill C-4 is to adapt federal legislation to the requirements of the convention. Among other things, it includes the abolition of the Canadian registry of aircraft and transfer to the international register; amendments to the Bank Act, to replace the references to the national registry with references to the international registry; amendments to the Bankruptcy and Insolvency Act to harmonize the payment order lists for the secured creditors, and amendments to the Companies' Creditors Arrangement Act to ensure that a company cannot give as a guarantee something that is already used as an international guarantee, and to the Winding-up and Restructuring Act for the same purpose.

For all these reasons the Bloc Québécois will be supporting Bill C-4.

• (1150)

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, first I would like to congratulate my colleague on her learned remarks as well as on her appointment as our party's transport critic. This is the file that I was dealing with during the last Parliament. Now my past is catching up with me. I am thus the critic for infrastructure and communities, which encompasses municipalities, of course.

My colleague summarized Bill C-4 quite well, but also gave details on the future of the aerospace industry in Canada. My question will focus on that. The Minister of Transport quoted Jean Chrétien, when he was the Prime Minister, saying, "The aerospace industry is to Quebec what the automobile industry is to Ontario". It is good to repeat this, and it was dramatic for us in Quebec.



*Government Orders*

They closed the GM plant in Boisbriand. Before the election, they invested \$500 million in an automobile industry recovery program in Ontario. However, there is still no money for the aerospace industry, which is concentrated to a large extent in Quebec.

It is on this issue that I ask myself the following question. Yes, it is good to introduce a bill such as Bill C-4, which promotes bank interests in aircraft. The problem in the aerospace industry at this time is that no bank wants to lend money for aircraft. If we established a national register, it would be good when the industry recovers. However, in the meantime, we need major assistance for the industry.

I would like my colleague to elaborate a little further on this assistance that might be provided by the government, whether in loan guarantees, or simply in aid to develop new aircraft, as Bombardier is asking, and also Bell Helicopter for its helicopters.

Consequently, there should be a real policy on the development of the aerospace industry in Canada. I would ask my colleague to elaborate a little on this.

**Ms. Caroline St-Hilaire:** Mr. Speaker, I thank my colleague for his question. It is a bit strange that it has been put to me. The government should be asked this question.

We have been waiting for years for an aerospace policy. The Liberals have been in power for a very long time, for too long, actually, and have never introduced any sort of aerospace policy. We have been experiencing problems.

When my colleague was the transport critic, I know he worked on this issue. Since the government does not seem to be doing anything, the Bloc Québécois will soon present an aerospace policy. This government is slowing us down. Is it short of ideas because the aerospace industry is an issue that concerns Quebec? If Ontario had been concerned, would the government have moved more swiftly? I am really wondering.

As to my colleague's question, I think we should invest more in industrial research and research and development. This is a very important foundation. We should also support the industry at the international level. We do know that other companies in the world are subsidized much more heavily than Canadian companies.

We will have to invest through the technology partnerships Canada program. This would be a way to help the industry. We should also encourage exports. This market is essentially an international market, and not necessarily a Canadian market. We should support the industry.

We could discuss this at length, but, personally, I would expect the government to propose something. If it had any leadership and initiative, and if it was the least bit interested, it would come up with concrete measures. But, given this lack of leadership, it is probably the Bloc Québécois that will present an aerospace policy which will meet the industry's needs.

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I want to thank my hon. colleague and the members of her party for their support in committee and in the House in order to make sure that Bill C-4 has

swift passage. However, when the hon. member says we are not forward looking in helping the aerospace industry in Quebec and there is no leadership, I beg to differ. Not only is the aerospace industry important to Quebec, it is important to the rest of Canada.

I want to point out to my hon. colleague that just last week I went to Cyclone Manufacturing, a manufacturing facility located in the riding of my hon. colleague behind me. It is located at Rapistan Court, Mississauga. It has been in business for 40 years. Its president, Andrew Sochaj, held a celebration for the company's 40th year in business. Industry Canada was there. We are helping the company and working with it. Infrastructure support has been provided by Industry Canada. This is an industry that started 40 years ago by providing small things to the City of Toronto and has suddenly grown to be a leading industry in the world, providing aircraft parts around the world.

That is why I am wondering about my hon. colleague saying that this government has not taken any action. I want to point out to my hon. colleague that this is not the case. There is active participation on the file. The Minister of Industry and the Minister of Transport are working diligently. This government has provided leadership in order to make sure that the aerospace industry is leading edge, and the auto file is also something that we are working on. Making statements that this government has absolutely done nothing is something that I think my hon. colleague might want to examine.

The Government of Canada and its ministers are supportive of the aerospace industry and of the auto file in Ontario. We are working diligently with all members of the House to make sure that we have leading edge technology that will make us leaders for the 21st century, especially in the aerospace industry.

● (1155)

[*Translation*]

**Ms. Caroline St-Hilaire:** Mr. Speaker, I know that I might have offended the parliamentary secretary when I talked about the realities that we have to face in Quebec, particularly regarding this non-existent aerospace policy at the federal level.

He might have found his little visit interesting, but I also invite him to go and meet the people from Bombardier or Pratt & Whitney who face problems daily.

We know that the Brazilian government has financed an average of 80% of Embraer sales. And what is our federal government doing? I think we are now at 37%. We are far from meeting the needs.

We know that investment in the area of industrial research is essentially increasing by about 8% every year, while the money invested by the federal government stays more or less at the same level. There is no increase while the needs are growing.

If the member feels threatened, he can talk to his Minister of Transport, or to the Minister of Industry, to ensure that this government will have some sort of aerospace policy to propose tomorrow. However, as far as I am concerned, this government is not at all giving Pratt & Whitney and Bombardier the help that the industry needs.

*Government Orders**[English]*

**Hon. Jim Karygiannis:** Mr. Speaker, I want to point out that Cyclone is located in the riding of my hon. colleague, the member for Mississauga—Streetsville.

My hon. colleague across the way said that we have not engaged Bombardier and have not been talking to them. I do have to differ. There are ongoing conversations and ongoing negotiations. Members of Parliament from all parties are encouraged to participate in the file, to talk on the file and to engage us. I am looking forward to the member's party coming forward with some innovative ideas. We are looking forward to working with that party to make sure that the aerospace industry is leading edge in Canada. Certainly the participation in this Parliament has to be there.

*[Translation]*

**Ms. Caroline St-Hilaire:** Mr. Speaker, this is what I call lack of leadership. This government should be the one to propose concrete ground-breaking measures, but it is the opposition that will have to do it since the government seems to lack imagination, but that will come.

*[English]*

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I want to acknowledge the number of comments made here this morning on this legislation. It is quite apparent that the legislation seems to have overwhelming support among the different parties.

To briefly comment on it, because I do not want to rehash everything that has already been said, the New Democratic Party broadly supports the bill and the Cape Town convention on mobile equipment. The ratification of the protocol could be a positive development for Canadian industry and Canadian workers as well as support for international development. The convention could also promote the use of newer, cleaner and more environmentally friendly aircraft, and actually that is one point that is not brought out here. Again, this is a bill that could give those countries that do not have a lot of dollars to work with an opportunity to purchase new rather than second-hand or used aircraft that other countries or airlines put up for sale.

Just to make it very simple for the Canadian public, because we all acknowledged at committee that this was very much a technical bill, our biggest challenge was in making sure we were not missing something just in case there was some underlying sneak attack on us that we did not want to miss. As committee members, we acknowledged that the legislation is very technical. In checking with people involved in the industry, we found that it was broadly supported so it certainly was not our intent to hold it up.

I am going to try to simplify it as briefly as possible. The bill makes it easier and more orderly for people who lend money to an airline for purchase of a new aircraft to repossess that aircraft in the event that the borrower stops paying off the loan.

The international registry will keep track of every aircraft, listing who owns it and/or who owes what on it. This will facilitate the return of the aircraft to the lender in the event that the borrower stops paying. In theory, the result should be somewhat lower financing costs for countries where the credit risk is perceived to be too high,

especially in developing countries, but the new mechanism will apply to all aircraft purchases.

An international mechanism is necessary because of the big differences between countries in terms of their respective bankruptcy laws and because of the ability to move aircraft, unlike tangible assets that are used in collateral loans. There is a potential benefit for the Canadian aerospace industry.

As has already been stated by my colleague from the Bloc, loans are under provincial jurisdiction and, for this reason, it is necessary for the provinces to come on side and enact their own legislation to work concurrently with this piece of legislation.

To try to clear up what happened at committee, I want to make a comment related to the amendments that were supposed to be put forth on this bill but were not. I acknowledge the Speaker's comments today and I think we take them as justifiable comments. As a committee, we were hearing from witnesses. Right toward the end of the witnesses' presentations, they mentioned that we needed amendments in the bill to acknowledge the differences in language.

My colleague from the Conservatives has mentioned this as well: the differences in language between different countries and how things are perceived. Within this legislation there were two terms that we would see as maybe having the same meaning, but which would not necessarily be seen that way elsewhere. So we know that we have a piece of legislation before us which we need to vote on, but as committee members we think—and certainly other members of Parliament now know—there is something missing in the legislation, which is going to make it hard to deal with. I am not totally sure about how the government is looking at addressing that.

It has been mentioned that the government has been dealing with this convention for a number of years, but had the government come forth with a complete bill with those changes it would have had support. It is certainly not our intention to hold up the legislation or to make it unworkable. It will be interesting to see how we deal with this, because this is actually one time where we do have agreement. The government, by not getting the job done properly, has created a problem for the industry and it is going to take up a bit more of Parliament's time to deal with it.

● (1200)

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I thank my hon. colleague for her comments and her party for its support for this bill. However, I do want to set the record straight. The government has done due diligence. It has reached out to all stakeholders.

*Government Orders*

My hon. colleague was there when the industry stakeholders said they would like to have a last minute change. They said they would like to have some last minute amendments. My hon. colleague was right there at that point. She could not not have seen this. She was right there. It was visible. Automatically, as soon as the committee left, officials from the Department of Transport and the Department of Justice sat right there, and we proceeded to make sure that the amendments they were suggesting were something that we worked on. It is not that the government did not do due diligence. It is not that this government did not do what it must. It is just that the industry said this at the very last moment. All of the industry has been consulted. It has been asked. We sat down at the table with the industry. At the very last moment, industry said, "We would like to add these too".

I am sure my hon. colleague will agree with me that automatically we jumped at the opportunity to make sure that happened. Saying that this government has not done due diligence and is asleep at the switch is certainly a little far fetched, I think. If my hon. colleague would clarify for the record that this was done, I certainly would be very appreciative.

• (1205)

**Mrs. Bev Desjarlais:** Mr. Speaker, I certainly agree with how my colleague, the parliamentary secretary, has portrayed what took place at committee. Quite frankly, that is exactly what I was saying; I said "the witnesses" and he said "the industry". I was trying to be more tactful and suggest that it was not the industry that prepared the legislation but the government. I guess the parliamentary secretary has made it quite clear who actually prepared the legislation and where the fault was in the legislation.

**Hon. Jim Karygiannis:** Mr. Speaker, I do want to thank my hon. colleague, but there is a need for clarification. It is not the industry that came forward with this legislation. It was the government that came forward, reacting to the industry's request. It was the government that took the initiative, and when the stakeholders of the industry came forward and said they would like us to add a few things, it was the government that did. As for stretching it this way or that way, I think we are all supportive of this bill. My hon. colleague and her party are supportive. All the parties are supportive. I will let it go at that, but I just wanted to set the record straight.

**Mrs. Bev Desjarlais:** Mr. Speaker, as I have indicated, there is certainly support for this bill. I know that my colleague, the parliamentary secretary, does as most parliamentary secretaries do at committee: they really take it to heart when legislation does not flow totally smoothly because they feel responsible for everything that happens. However, I am not going to hold up the discussion any further. I just want it to be indicated that there is support for this bill and certainly we do not want to hold up Parliament, so we are looking forward to whatever route the government can take to fix up the mess.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, perhaps I should give a small clarification for my colleague. I was listening to the Parliamentary Secretary to the Minister of Transport tell us how good his government had been. We must keep in mind that the ICAO protocol was signed by 32

countries. Canada, which had been negotiating since 2001, signed it in March 2004.

The problem is that it should have introduced a bill long before that. An election was announced by the Prime Minister and we now find ourselves with a bill that the industry asked for, but which was introduced at the wrong time. Even if we tried to change the standards and legislation to give reasonable loan guarantees to banks, there are no clients, there are no takers for these guarantees on aircraft at this time, because of everything that happened on September 11, 2001.

This bill should have been introduced well before March 2004, well before this session. Once again, the Liberal government dragged its feet. There have been discussions about the agreement at the ICAO since 2001 and Canada signed it in March 2004. The Liberals did not pass a bill immediately, there was an election and now, belatedly, it must pass a bill which will be useful and which the industry is asking for, but which is far from being an agreement or an aid program to the aerospace industry in Canada.

I would like to ask the member what she thinks about this.

[*English*]

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, my colleague, who sat with me on the transport committee in the previous Parliament, is absolutely correct. There is no question that the benefits from the bill will not be recognized for some period of time.

The bill also will not resolve the situation we have faced within the airline industry, both in the production of aircraft and the aerospace industry, as well as in the air transport industry. We need to look at the broader picture if the airline industry is to benefit.

• (1210)

**Mr. Mario Silva (Davenport, Lib.):** Mr. Speaker, I am pleased to stand before the House today to support Bill C-4, legislation that seeks to implement the convention on international interests in mobile equipment and the protocol to the convention on international interests in mobile equipment on matters specific to aircraft equipment.

Canada played a leading role in the negotiation and development of the Cape Town convention and protocol. This active involvement highlights Canada's commitment to seek global solutions to global problems in cooperation with the rest of international community. In fact, it was a Canadian delegate to the International Institute for the Unification of Private Law, or UNIDROIT, who first proposed the establishment of an international registry for security interests in aircraft in 1988.

Implementation of the convention and protocol in Canada would reaffirm Canada's leadership role in international civil aviation. The convention and protocol represent an unparalleled example of cooperation between governments and industry in creating international regime. Representatives of the Canadian aviation industry were present and participated in many of the meetings leading up to the diplomatic conference at Cape Town, as well as the meeting that formally adopted these international instruments. The convention and protocol were concluded in Cape Town, South Africa, in November 2001.

*Government Orders*

I believe we all agree that a strong, competitive aviation industry is important for Canada's economy today and into the 21st century. Furthermore, it is widely recognized that this sector has faced significant challenges over the past few years.

The aviation sector is particularly vulnerable to economic shocks and other geopolitical events. September 11, SARS and record high fuel prices have all had negative effects on this sector. Industry stakeholders have been calling on the Government of Canada to implement broad measures to help improve the difficult situations facing the airline industry and aerospace sectors.

These stakeholders have been continuously consulted throughout the process leading up to the tabling of this bill and they remain supportive. Indeed, on November 2, 2004, representatives of certain air industry stakeholders, Air Canada, the law firm of Cassels, Brock, and the Air Transport Association of Canada, were called as witnesses by the Standing Committee on Transport. The witnesses made a joint representation in strong support of the international treaty and the intent of Bill C-4.

Passing the bill and ratifying the convention and protocol will demonstrate the government's commitment to and support of the long term viability of Canada's airline and aerospace industry. Adopting Bill C-4 will allow these industries to compete more effectively in the global economy by facilitating their access to capital markets. Improving the competitiveness of the Canadian airline and aerospace sector will help maintain highly paid, specialized jobs in Canada, leading to positive spinoff effects in all regions of Canada and throughout the economy.

Stakeholders expect to see substantial benefits following the adoption of this proposed legislation and Canada's ratification of the convention and protocol. For example, airlines expect that the new regime will enhance their ability to obtain financing for aircraft due to the increased security that the system offers creditors.

Since the rules provided for in the convention, the protocol and this bill reduce their financial risks, it is expected that creditors will make greater levels of credit available at lesser cost. This will have a direct financial impact on airlines since it will reduce their costs of borrowing money.

Consumers can, in turn, be expected to benefit through increased airline services and/or lower fares assuming that airlines pass the realized cost savings to the end users.

Aircraft manufacturers should benefit from the increased sales volumes that will result from reduced financing costs. Furthermore, air transportation can become safer and environmentally cleaner once airlines are allowed to purchase more modern aircraft at reduced costs.

Not only Canada would benefit from the adoption of this treaty, but so would developing nations. The implementation of the convention and protocol in developing countries will result in reduced financial costs and will make financing available where it might not otherwise be. As a result of the increased certainty afforded to creditors, airlines will be more willing to dispose of surplus aircraft in developing markets. These markets will benefit from obtaining safer, more efficient and more environmentally friendly aircraft than what may be in current use.

For a country like Canada, the convention contains a few major innovations. However it will provide other countries with a considerable measure of legal improvements that may well assist in them getting the most out of their economies, while at the same time providing enhanced opportunities for Canadian business.

The first major feature of the convention and protocol, which is what will help increase certainty in the industry, is a provision for a special remedy in the case of insolvency that would impose a fixed stay period of 60 days. After this period, creditors could reclaim an aircraft or aircraft equipment on which they have a security if the lessee has failed to meet its obligations under the lease.

● (1215)

The second major feature of the convention and protocol involves the creation of a worldwide Internet based registry for aircraft equipment. This registry would be available to and accessible by any individual or company 24 hours a day, 7 days a week.

The existence of a single worldwide electronic international registry for recording and searching interests in aircraft equipment is viewed by stakeholders, including the legal community, manufacturers and financiers, as a considerable advantage in terms of time, cost savings and improved certainty.

The registry will be set up and operated by Aviareto, an Irish based company that was selected through a tendering process supervised by the International Civil Aviation Organization, ICAO. A permanent supervisory authority will oversee the operation of the registry.

Some of the authority's responsibilities will include: appointing and dismissing the registry operator; making regulations dealing with the operation of the registry; establishing a procedure for receiving complaints; setting the fee structure; and reporting to contracting states.

As a signatory party and key participant to date, Canada will continue to work through ICAO to ensure that Canadian interests are protected throughout this process.

In summary, the benefits to Canada of implementing the bill and ratifying the convention and protocol include: greater security for creditors; increased competitiveness of the Canadian aerospace and airline industries; maintaining jobs in Canada; and spinoff effects for various regions within Canada.

As the House can see, adopting Bill C-4 will have positive effects on the aviation industry and on the Canadian economy as a whole.

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I rise on a point of order. I am grateful for the ruling given by the Speaker this morning on report stage amendments to Bill C-4.

There have been discussions among parties and I believe you would find consent for the following motion. I move:

That this House deem the report stage motions that were listed in today's order paper to have been proposed and carried and the Bill to have been concurred in at the Report Stage as so amended.

*Government Orders*

**The Acting Speaker (Mr. Marcel Proulx):** 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, report stage Motions Nos. 1 to 6 deemed moved, agreed to and the bill, as amended, concurred in)

[*Translation*]

## THIRD READING

The House resumed consideration of the motion that Bill C-4, an act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, as amended, be read the third time and passed.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I am pleased to speak to Bill C-4. I will take a moment to read the title of the bill, which reads as follows:

An Act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment

It is a scholarly and complicated enactment. The International Civil Aviation Organization, or ICAO, adopted these protocols in the fall of 2001. We recall, of course, September 2001, and the grave crisis the whole airline and aerospace industry faced at the time. The ICAO met and decided to negotiate protocols to facilitate the taking of aircraft as collateral by the banks, starting in the fall of 2001. Since then, 32 countries have signed this protocol. Canada, however, did not sign it until March 2004, in spite of the industry's pressing need. If the International Civil Aviation Organization met in the fall of 2001, it was because there was danger in waiting. It wanted to standardize the taking of guarantees around the planet. That was the intention, so that, in the event aircraft had to be repossessed, bankers would have the ability to exercise their guarantees and repossess as required.

Bankers were nervous and did not want to finance new equipment. Even though it was requested by the industry and discussion was urgently required in the fall of 2001, this convention was not signed by Canada until March 2004. Today, in November 2004, we are still debating a bill that was introduced following the election. We are understandably skeptical when we hear about an emergency and a request from the industry. I think the industry has moved on. The aerospace industry is going through a grave crisis. The expectation in the industry would have been that the government provide a real aid package for the aerospace industry, not introduce a bill that should have been introduced back in 2001, or in 2002 at the very latest.

Once again, the Liberal government has decided that to help the aerospace industry, it would present a bill to make it easier for bankers to secure their interests. The problem is that bankers are not jumping at the opportunity to finance planes these days. Such is the reality. The industry will work, appear before the committee, propose changes and try to have a decent bill so that one day when bankers become interested in the aviation industry again, there will be laws to protect them. We are talking about creditor protection because this bill will amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, the Winding-Up and Restructuring Act and the Bank Act. Once the bankers secure their

interests throughout the world we want them to be able to require compliance with conventions and the application of a uniform law.

The Bloc Québécois agrees with this bill. We would have agreed to its being tabled in 2001 and passed in 2002, but the Liberals have been too slow to take action. Today, in 2004, after the election, we have a protocol that was signed in March when we should have had legislation just before the election, but no, it was not considered urgent enough. Today they are trying to tell us this bill urgently needs to be passed when what is truly urgent is what I will explain in the second part of my speech, that we need a real plan to help the aerospace industry. We need a true national aerospace policy.

It is unthinkable that Bombardier and other companies are still, month after month, year after year, having to go to the federal government cap in hand. I had the opportunity to attend an international aerospace exhibit at Bourget a few years ago. You were there as well, Mr. Speaker. It was amazing to see how many countries were courting our national flagships, Bombardier and the others, to get them to relocate to their part of the world. Aerospace is seen as a glamour industry. There are a number of countries that are prepared to take our best companies, but Canada appears not to understand. Yet Canada has no trouble understanding the Ontario auto industry's need for money.

● (1220)

That they can understand. I repeat the words of the Minister of Transport which—surprisingly, since he is a staunch supporter of the Prime Minister—echo what Jean Chrétien said when he was Prime Minister: “The automotive industry is to Ontario what the aerospace industry is to Quebec”. The reverse is equally true: The aerospace industry is to Quebec what the automotive industry is to Ontario. It makes little difference. He may have reversed what Jean Chrétien said.

Nevertheless, what hit us hardest was the bit about the automotive industry and Ontario, because GM was closed down in Sainte-Thérèse-Boisbriand and everything was concentrated in Ontario. There was a plan, prior to the election, to help out aerospace with \$500 million. In the meantime, the likes of Bombardier and Pratt & Whitney—not to mention Bell Helicopter—are asking for a little help from the government. Nothing huge.

I have heard comments from members of other parties in this House that this makes no sense, and I have read newspaper articles asking what can be given to Bombardier. It is not a matter of what we can give Bombardier. It is a matter of matching what other countries are prepared to offer in order to attract a leading edge industry, a glamour industry.

*Government Orders*

If we are not willing to do anything, and if Canada wants to drop to second, third or tenth place, it should say it. But other countries are interested in having the flagships of our industry and building their own aircraft. A single American state is ready to offer what the Canadian government is now refusing. I am not talking about the United States but about a single state. Three states are offering what Bombardier is asking from Canada.

I find that the Bombardier people are quite polite. I was present at one meeting, and they said, "We do not want to leave Canada". We are fortunate that this is a home grown industry. Otherwise, it would have left a long time ago. It is trying hard to be heard. Ministers tell us that it is not easy. I heard Bombardier's president say, "Canada is too small for us". A G-7 country is being told that, and nobody says anything. The industry minister was there, and the foreign affairs minister also, and he said, "We have to make do with limited means."

Limited means are passé. There was no new money for the aerospace industry, but the government found some for the Ontario auto industry. Existing programs are being used. This is difficult for Quebecers, because the aerospace industry is second in North America to the Silicon Valley in importance. We are proud of this flagship aerospace and high tech industry, because it is a high tech industry. This is what the aerospace industry is today.

This is why countries or states want to have this type of industry. Because it is glamorous and because it is leading edge technology. We are lucky enough to have it here. Quebecers want to keep it, and it is normal for them to.

We want the government, which has always helped them, to keep on helping them. Exports are under its jurisdiction and responsibility. It is not that Quebec would not like to be a country and is not working toward this goal. However, we are still a part of Canada, and the federal government is in charge of exports and has to help in this regard. We are thus asking the government to assume its responsibilities in areas under its jurisdiction.

Let us have a look at all the investments that the federal government is trying to do in all sorts of areas that have nothing to do with its own jurisdictions: the health care system, the child care system, the municipalities, all areas that are not under its jurisdiction. However, the export programs do fall under its jurisdiction, and the government is not doing anything. It does not want to do anything. It has no money. It is not increasing the budgets in this area. This is the harsh reality.

Once again, it is not rocket science. The federal government is responsible. It has export programs. We can give them all sorts of ideas. However, the industry is well aware of those ideas. There are programs and I will give you a short list. The problem is there is no new money. This is the harsh reality. So the government must increase the amounts in the existing programs.

Bombardier wants to finance new aircraft. There are finance programs for that purpose. It is the same with Bell helicopters. Just last week, the company announced in *Les Affaires* that, with no help from the federal government, it would also leave.

●(1225)

I met with Bell Helicopter officials. I did not do like the parliamentary secretary to the Minister of Transport. I did not talk about it: I went to see these people. The problem that they have is simple: they have offers in other countries. If we say no, they too will take their business elsewhere. Of course, Bombardier is the number one issue. We cannot let it go. Bombardier keeps asking the federal government to help it upgrade its operations; it is not asking for an extraordinary amount of money.

Bombardier is asking for is what other countries are offering it. Some members in this House have a problem with that and they wonder why Bombardier should once again get help. We will support a high technology industry that other countries want to take away from us. This is what we will do. It is as simple as that. We are not going to do so by giving them too much money, but by giving them what the others are prepared to give them, and no more than that.

As I said earlier, Bombardier has been very respectful. It is only asking for what the others are prepared to give to it and what it needs to be able to develop new equipment. Of course, you have it there. We are asking for an increase in support for industrial research.

This is not difficult, for the simple reason that the only money available comes from Technology Partnerships Canada. TPC has no new money. How does it operate? When companies develop a new product, they get funding from Technology Partnerships Canada. TPC lends them money, and when the product is sold, it collects royalties. Currently, royalties paid annually by companies are estimated at \$50 million. This is the money that is available. There is no new money. The money collected is reinvested; there has hardly been any budget increase.

I have to be honest here. The contribution did increase by 8% annually, but it is practically 30% in other countries. This is the reality. Canada increased the budget of Technology Partnerships Canada by 8%. This is in addition to the royalties paid by companies that sell equipment for which they got funding from TPC during the developmental stage, several years earlier.

As regards the jets that Bombardier is building across Canada, when the company sells one, it pays royalties to the government. This is what brings money to Technology Partnerships Canada. The problem is that this fund does not increase quickly enough to meet the needs of the industry, and these needs are similar to those in other countries of the world. It is no more complicated than that.

That is an area of federal responsibility. Yet, the federal government makes a conscious decision not to invest in its own jurisdiction, exports. Again, this is difficult to understand.

I can understand Bombardier, Bell Helicopter, Pratt & Whitney and the 240 aerospace subcontractors in Quebec alone. They are wondering why there is no increase. If funding for research were increased, Bombardier could finance its new equipment, and Bell Helicopter could get financing for its new aircraft.

*Government Orders*

We are talking about design. This is an industrial research program to design this new equipment. That is what the \$700 million requested by Bombardier, among others, was for: to develop its program. Bell Helicopter is asking for approximately \$250 million to develop its series of aircraft in order to be competitive.

Why are they doing that? Not for the sake of having new aircraft, but rather because the competition is playing hardball. That is how it is. They have to watch out and always be up to date, or else they are overtaken by the competition.

Let us take a look at some competitors. There is Embraer in Brazil, for example. In this case, I would say that, on top of the government assistance available to the company, Brazil is financing exports. This means that, when an aircraft is sold, the Brazilian government actually finances the buyer. Last year, it financed 80% of Embraer's deliveries. That is not easy. Not to be chauvinistic, but Bombardier and Embraer are about the same size.

Here in Canada, only 41% of exports were financed this past year. In 2003, it was 37%. The percentage actually dropped in previous years. In recent months, the government made a little effort in an attempt to help. But it really does not measure up to what is done in other countries. There is no comparison, as my hon. colleague from Terrebonne—Blainville would say. That is the harsh reality.

I understand why the presidents of Bombardier, Bell Helicopter, Pratt & Whitney and all the other companies are telling the federal government that a real development policy for the aerospace industry in Canada is needed. Such policy is indeed required, along with the necessary funding based on what is spent elsewhere.

Of course, once again, when we think that, in research and development alone in the United States, the Pentagon spent US \$45 billion for the aerospace industry last year. For Boeing alone, it spent \$6.5 billion. How can a Canadian company like Bombardier hope to compete with that? For the multinational Bombardier to compete with the multinational Boeing in terms of equipment, it would take phenomenal assistance. Of course, we are not equal to the task.

• (1230)

In Europe, Airbus received US \$3 billion. This is an industry where research and development must be funded. These funds must be provided through royalties when aircraft are sold. We are therefore asking for an upgrading of the Technology Partnerships Canada program.

Concerning exports, Export Development Canada guarantees equipment deliveries. We would like to see them at the same level as the Bombardier competitor, among others. When Brazil guarantees 80% of client purchases, we would like Canada to be able to be competitive, at 41%. I am not saying that we must reach 80% in the same year. We would not want to shock the Liberals. We will give them a chance. We will have a program that will be adjusted and that will grow, so that Bombardier can predict the demand and be able to make its deliveries and harmonize its order book with the guarantees that might be provided by the Government of Canada.

This is very important at present because of the events of September 11, 2001. The aviation and aerospace industry is in crisis throughout the world. Solutions need to be found. One day, when things are going well, the bankers in this world, GE Capital and the

like who financed a big part of airlines' fleets, will see the light and recognize the potential for profit and will decide to guarantee loans in the place of governments by means of the legislation we are passing today. However, that is yet to come.

It is as if the government were saying that with Bill C-4 we are telling bankers that they can now secure interests since all laws are standardized and that it will be no problem for them to lend money because they will be able to recover the equipment. The problem is that no bankers are interested these days. If we took a survey of those bankers interested in buying a plane, very few would say they are prepared to provide a guarantee. This is because some companies are still under bankruptcy protection in the United States. Air Canada just came out of bankruptcy protection. It is not easy.

Things might change, but in the meantime the federal government has to use its means under its area of jurisdiction. I cannot emphasize enough that exports come under federal jurisdiction. The government prefers to take away responsibilities from the provinces and interfere in their jurisdictions. It probably finds this more glamorous. However, if it lost the aerospace industry, if it ever let aviation and aerospace companies go because of a lack of funding, I am not sure the world would view Canada the same way.

I am not sure Canada would still be a leader in the G-7, as it often likes to point out. The government says we are number one and the best country in the world, as Jean Chrétien said. However, the best country in the world is in the process of losing its aviation and aerospace industry to competitors who want these companies and think it is the perfect time to finance the industry, which is at the cutting edge of technology. Such is the reality. There are countries ready to do this.

What will we do when those industries are shut down? We will lament the fate of the workers of Bombardier. Already, 2,000 workers in the Montreal region have lost their jobs. This is not good news for us, in the House. We would like not only to see these people keep their jobs, but 2,000 more hired. That is what we would like.

If the Liberal government really wanted to do its job in the export industry, that is what it would do. It would ensure that sufficient funds were made available to businesses to help them not only maintain existing jobs, but create new ones. However, that is not what it is doing. With Bill C-4, it is focusing on damage control.

The reason for our *cri de coeur* is that the aerospace industry is not made up only of Bombardier, Bell Helicopter and Pratt & Whitney, but also comprises 250 small and medium-sized businesses which live on royalties. This is how a cluster works. A big corporation is at the top, and many small supplier businesses cluster around it. This is why Quebec is the second most important hub in North America, after Silicon Valley.

*Government Orders*

We hope to keep that leadership. We hope that the Liberal government will not risk losing it to other American states or other countries, just to punish Quebec.

• (1235)

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I thank the House for the opportunity to add some thoughts to what was said by my colleague across the way.

I reflect back to some 38 years ago when my father decided to immigrate to this country. He did not look just at Ontario or Quebec. He looked at a country which goes from St. John's, Newfoundland to Victoria, B.C., and from the northern most point to Windsor at the south tip, encompassing every individual. The government is respecting that. The Liberal Party is the only party that does not just look at the 250 industries in Quebec to take care of this issue. The Liberal Party looks right across the country.

I was a bit peeved to hear my hon. colleague say "when we break away from Canada." This side of the House does not share that vision. This side of the House has a vision that goes from coast to coast to coast, north of the 49th parallel. Members on this side of the House do not just care for one part of Canada; they care for the whole of Canada.

Many of the 250,000 immigrants who come to this country year after year, who want to contribute to it and make it the country of their dreams, the country of their choice, do not share the vision of 250 companies in Quebec. They share a vision of thousands of companies right across the country. They share a vision of a country that goes from coast to coast to coast. Although we are all here representing our individual constituencies and representing the special interests of our constituents, let me reassure the hon. member as well as all members in the House that the paycheque that they take home has the symbol of Canada on it.

• (1240)

[*Translation*]

**Mr. Mario Laframboise:** Madam Speaker, I could not care less about the patriotic words of the Parliamentary Secretary to the Minister of Transport. None of the members from the province of Ontario rose in this House when the GM plant in Boisbriand closed down. None of the members from the province of Ontario stood up for the GM plant in Boisbriand. None of them, and now they talk to us about the great country of Canada. Let them rise and come to the rescue of Quebec's aerospace industry.

[*English*]

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Madam Speaker, the member mentioned the fact that Canada was once very prominent in the aerospace industry but now seems to have lost a bit of that prominence and he is absolutely correct. I would like to remind him that we have also lost another terrific industry in Canada and that industry is the shipbuilding industry. Lévis, Quebec, has the potential of being a huge employer.

My hon. colleague the parliamentary secretary talked about the Canadian dream. I would like to remind him and his government that

there are many shipyard workers in this country who have a dream of fulfilling their mandate of a livelihood.

Since the government completely ignored the shipbuilding industry, in fact does not bring it up for discussion any more, how much faith does the hon. member from Quebec have that it will do the same thing to the aerospace industry in the future?

[*Translation*]

**Mr. Mario Laframboise:** Madam Speaker, first, as you know, Quebec was also hard hit by the closing of some shipyards, including the MIL Davie shipyard in Lévis. The Liberal government must support all the various industries. Shipyards are also considered export industries.

Again, I agree with the member. If he wants to go ahead, we will certainly support the revitalization of the shipbuilding industry. The problem is that the Liberal government has left the shipbuilding industry to fend for itself. That is today's harsh reality.

I hope that will not be the fate of the aerospace industry.

• (1245)

[*English*]

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Madam Speaker, I am pleased to rise in the House today to offer my support during third reading of this important legislation. I wish in particular to briefly highlight the anticipated benefits of adopting the proposed international interests in mobile equipment act.

It is clear that we all agree that a strong competitive aviation industry is an important component of Canada's economy in the upcoming century. Adopting the bill will help the Canadian airline and aerospace industries compete more effectively in the global economy by facilitating their access to capital markets. It is for this reason that both the industry and leaders support the bill and it is apparent that most members of the House do as well.

On March 31, 2004, Canada signed the Convention on International Interests in Mobile Equipment and the protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

Extensive consultations with interested parties were held throughout the process. Representatives of the Canadian industry were present and participated in many of the meetings leading up to the diplomatic conference in Cape Town as well as the meeting that formally adopted the instruments.

The convention and protocol will establish an international framework for the financing of aircraft equipment. Within this framework, the value of the aircraft would be used as security for payment, much like a mortgage or a lease. Adopting legislation to implement the convention and protocol will reduce the financial risk to creditors, allowing them to make greater levels of financing available for the purchase of aircraft. This could translate into lower costs for airlines purchasing or leasing aircraft, which would enhance their competitiveness and strengthen the airline and aerospace sectors. The expected result is a direct positive impact on airline earnings, investment and overall profitability.



*Government Orders*

Among the benefits of implementation is greater security for creditors, an increase in the global competitiveness of the Canadian aerospace and airline industries, and very important, maintaining jobs in Canada and spinoff effects for various regions within Canada.

If Canada were to ratify the convention and protocol and adopt implementing legislation in a timely manner, Canadian purchasers would be able to benefit from reduced exposure fees. For example, the U.S. export-import bank is offering a one-third reduction in its exposure fee to companies whose home states have signed, ratified and implemented the convention and protocol before September 30, 2005. This offer recognizes that reducing uncertainty translates into lower costs. This kind of advantage would contribute to the industry's competitiveness.

As the Canadian aviation industry becomes more cost competitive, the benefits could be passed on to consumers through increased airline services and lower fares. A healthy aviation industry will of course translate into more jobs for Canadians. As airlines become more competitive and grow, they will expand their workforce. This has spinoff benefits for the aircraft manufacturing sector. The airline and aerospace manufacturing industries generate many high paid specialized jobs. The importance of such jobs and their spinoff effects in the economy cannot and should not be ignored.

In the west, Alberta and western Canada will benefit from WestJet's increased competitiveness. As the home of Air Canada, Jetsgo, Pratt and Whitney Canada and Bombardier, Quebec will no doubt enjoy a boost in its economy.

The reason that I am pleased to stand today is that CanJet and Pratt and Whitney Canada in eastern Canada will provide a positive economic impact for eastern provinces. Nova Scotia is one of the provinces that fully supports the bill and is ready to adopt the protocol and convention. It will assist our growing aerospace industry.

Nova Scotia is more known for shipbuilding, another industry that we must keep our eye on and for which we must ensure support. However, the aerospace industry has grown in Nova Scotia and it sees great potential for further growth.

Smaller airlines across the country will also enjoy the benefits created by the convention and protocol. In addition, aircraft manufacturers and their numerous subcontractors throughout Canada will be positively affected by the increased certainty that this will provide.

Bill C-4 is an important step toward strengthening Canada's aviation industry which will generate competitive and other spinoff benefits right across the country.

• (1250)

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Madam Speaker, I fully support, almost verbatim, what my hon. colleague from Dartmouth—Cole Harbour had said, but he also mentioned shipbuilding. I am going to give him an easy question.

In 2001, Brian Tobin, the industry minister, set up a group of labour and industry personnel to get together and come up with a policy, which they did. Unfortunately, three and a half years later there has been absolutely nothing from the government. In fact, the

Minister of Industry's own riding, his own province of B.C., lost a half billion dollar contract to a German firm to build ferries. Not one penny of that money will be going into wages, salaries, or communities in British Columbia.

We have a need in this country to replace Coast Guard vessels, military vessels, ferry systems, the laker fleet, you name it. We can build them right here in Canada.

I am pleased to see that the government is paying serious attention to the aerospace industry. As an 18 year airline employee myself, I know the pitfalls that the airline carriers go through, and this particular bill is a very good one which we fully support. The attitude that the government gives to the auto sector and to the aerospace industry is something we support, but we would also support it if it would just pay half as much attention to the shipbuilding industry.

I would like the member to stand up and give me the assurance that indeed the Dartmouth slips may one day reopen and build the great ships of the future.

**Mr. Michael Savage:** Madam Speaker, I thank the hon. member, my colleague and associate from Nova Scotia. I did not have to be Kreskin to know what question he was going to ask me in the House here today. I can assure him of my full support for government initiatives that will help shipbuilding. It is one of the most important industries where I come from.

He mentioned the Coast Guard. It is my belief that we need to seriously reinvest in our Coast Guard, including hundreds of millions of dollars in new equipment. That will get my full support.

This bill is not about subsidies. It is not about investing in industries. It is about making the aerospace industry more competitive. While we have opportunities in shipbuilding, at the very least this member, who also was at the international aviation and aerospace show with me in September, will see that this will make it easier for the growing aerospace industry in Nova Scotia.

**Mr. Roger Valley (Kenora, Lib.):** Madam Speaker, it is a great pleasure to rise today for this third reading debate on Bill C-4, an act to implement the convention on international interests in mobile equipment and the protocol to the convention on international interests in mobile equipment on matters specific to aircraft equipment. I would like to take this opportunity to discuss the legislative amendments that will come into force once this convention is ratified.

Canada is a leader in electronic registries and has one of the most modern asset based financing systems in the world. Canada already has a sophisticated financial regime that uses assets as collateral. However, implementation of the convention and protocol would benefit the aviation sector by amending insolvency legislation and establishing an international registry specifically for aircraft equipment.

*Government Orders*

The convention and protocol would establish an international registry in which interests in aircraft equipment would be registered. This registry would replace individual national registries. It would record the existence and prospective rights and determine their priority for the use of purchasing and financing of aircraft.

Currently, in Canada each province and territory maintains their own aircraft registry and the federal government maintains a registry as mandated by the Bank Act. The establishment of a single worldwide international registry would replace both federal and provincial registries for aircraft and aircraft parts in Canada, greatly simplifying aircraft registration.

On March 31 Canada signed the convention on international interests in mobile equipment and the protocol to the convention on international interests in mobile equipment on matters specific to aircraft equipment. Justice Canada officials regularly consulted with the provinces and territories throughout the negotiations leading to the adoption of the convention and the protocol. This will create a uniform, secure and predictable environment at the international level for Canadian business. This is in line with Canada's goal of achieving enhanced transparency, security and predictability in international business.

The Bank Act special security regime allows banks in Canada to register security interests on a national basis for certain types of defined products listed in the act. The types of products that can be registered under the Bank Act are technically broad enough to include aircraft equipment covered by the new protocol.

Since the goal of the protocol is to create a single international registry, amendments to the Bank Act would be required to avoid overlap. The most effective means of doing this would be to remove aircraft equipment from the application of the Bank Act.

The international registry would allow aircraft owners, lessors and financial institutions to record their rights, including security interests in aircraft and aircraft engines. Registration would establish the purchaser's or creditor's priority over the unregistered or subsequently registered interests of other parties.

Information on the Internet based registry will be available to and accessible by any individual or company directly. This will provide a considerable advantage in terms of time, cost savings and improved certainty in resolving questions of priority of interests.

Aviareto, an Ireland based company, was selected as registrar through a tendering process supervised by the International Civil Aviation Organization. The establishment of the international registry has begun, and Aviareto will operate the registry once the convention and protocol come into force.

Before Canada ratifies the convention and protocol, a careful examination will be done of the final acceptability of the terms of operation of the new international registry. Canada will withhold ratification until it is satisfied that the registry is fully operational and secure.

Amendments to the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Winding-Up and Restructuring Act would also be required in order to implement the convention and protocol. The bill would provide for a special

remedy in the case of insolvency that would impose a fixed stay period of 60 days. After this period, creditors could reclaim an aircraft or aircraft equipment on which they had a security.

Under current legislation, there are various periods within which creditors are subject to a stay on their ability to enforce security interests. These stays can sometimes extend to more than a year. The adoption of a fixed 60-day period would increase certainty in the system and level the playing field between Canada and the United States. The U.S. industry already benefits from a similar provision under the U.S. bankruptcy code.

The adoption of consequential amendments to Canada's insolvency laws would benefit Canadian aircraft manufacturers, financiers and airlines on the international level. Although these changes would provide better protection for creditors, they would not materially impact debtors' ability to pursue reorganizations in case of insolvency.

● (1255)

The federal legislation required to implement the convention and protocol would make the necessary amendments to the relevant acts. Legislative amendments may be proclaimed into force at different times, but no later than a date on which a convention and protocol enter into force in Canada.

It is clear that the adoption of the bill will be an important step in the creation of an international regime that the aviation industry worldwide sees as beneficial. I applaud the quick and thorough work done by the Standing Committee on Transport, and I encourage all members to support third reading of Bill C-4.

**The Acting Speaker (Hon. Jean Augustine):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Hon. Jean Augustine):** The question is on the motion that Bill C-4 be read the third time and passed. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to, bill read the third time and passed)

\* \* \*

● (1300)

**CRIMINAL CODE**

The House resumed from November 2 consideration of the motion.

**Mr. Peter MacKay (Central Nova, CPC):** Madam Speaker, I am pleased to have the opportunity to rise and participate in the debate on what I would describe as a very important bill as far as law enforcement goes. It pertains specifically to the ability of police officers to have enhanced capacity to arrest and hold responsible those who drive while under the influence of a drug as opposed to an alcohol related offence.

*Government Orders*

The bill is rehashed. It is coming back from the previous Parliament wherein it was introduced in conjunction with Bill C-17, which the government has brought before the House, on the decriminalization of marijuana. I find that more than a little ironic. The government on the one hand, by the passage of this bill, essentially is condoning small uses of marijuana. At the same it is bringing this legislation forward simultaneously to make it more difficult and to heighten the degree of the government's response to those who drive while under the influence of a drug.

The proposed bill specifically puts in place provisions and resources to allow police officers to be trained in the area of recognition of impairment by drug. It also will put in place training programs and funding for those programs to allow the police to recognize those symptoms, albeit an objective or subjective test. I suspect strongly that this will be a make work program for criminal defence lawyers in Canada. There will be a massive influx of challenges, charter and otherwise, that will result in increased litigation which will cause a flurry in the courts. I am concerned about the backlog of impaired driving cases already in the courts.

An important observation I would make is with regard to the synergistic effect of drugs and alcohol. Again, the bill attempts to allow police and law enforcement officers generally to recognize the effects of both the combination of drugs and alcohol and how that impairment is recognized. The penalties for failing to submit to the testing that police will then be permitted to engage in would be equivalent to the penalties currently in place for failing to submit to an alcohol roadside screening device, as currently referred to, or more colloquially, the breathalyzer test.

We generally in the Conservative Party support the bill. We feel it is long overdue. Although I want to note that the current provisions of the Criminal Code permit for the arrest, detention and obviously conviction of a person who drives while under the influence of a drug. What this does in essence is specify that the impairment by drug is separate and apart from the impairment by alcohol, but it is currently covered.

The more compelling element of the bill is that it would allow for the training and the techniques of police to expand. This is something the Conservative Party obviously embraces. We see this as a step in the right direction, but I hearken back to my earlier comments about the timing of the legislation being introduced to make it easier for persons to access marijuana and other small forms of drugs. Therefore, there is an innate and very obvious contradiction in the government's platform and its ability to bring this forward now. I suspect it was meant to appease public opinion and perhaps distract somewhat from the negative impact and effects that will come from the softening on the position that the government has on possession of marijuana. The debate on that will continue obviously.

I would suggest quite strongly, and I believe many share this view, that the efforts to put in place decriminalization, and even the efforts that are being put in place right now to have this discussion around eventually legalizing marijuana, should not happen until the proper training techniques and the legislation itself are in place. While these bills come before the House of Commons at the same time, in order of precedence Bill C-16 should be passed through the House first. That will be the position we will maintain throughout the discussion

and debate here today and as it moves forward through the process into committee.

Many suggest the police will need at least four years, and the funding currently set aside for this training, before they will be fully apprised of the techniques to recognize the effects and the presence of marijuana or other drugs on a person and in their system while operating a motor vehicle. In some cases there is hope that there will be technology to help recognize these effects.

• (1305)

There is a schedule of fines that attaches to this legislation, fines that are in keeping with the current impaired driving penalties we see in the code as they relate to impairment by alcohol.

Numbers of studies have been done, including some background information provided by the Department of Justice which indicates that many of the states in the U.S., our friends and neighbours to the south, are currently using techniques that can be adopted in this country. Similarly, other countries, including Australia, New Zealand and some of the European countries, have gone down the road, pardon the pun, of using this type of technique to detect those under the influence of drugs while driving.

There is a Johns Hopkins University study which confirmed that the type of training and the training used can be very accurate, up to 90% accurate, in determining impairment by drug and the type of drug itself if the proper techniques are utilized. This type of evaluation, this type of recognition factor, if we will, is currently available, but training is going to be required to have officers prepared to recognize it and document it in terms of its evidentiary value in the courts.

I would be remiss if I did not mention an organization which I have incredible respect for, a respect that is shared by many, and that is Mothers Against Drunk Driving. It has taken a very firm position in favour of this type of legislation. It voiced that opinion in the last Parliament.

Its red ribbon campaign, which is meant to raise awareness of impaired driving in any form, is currently under way. That campaign started November 1 and will continue until January 3, 2005. This is very much in keeping with the good work that is performed by MADD every day in Canada in raising awareness of this serious problem, this very dangerous practice of driving while impaired. Up to four people a day in this country are killed by those who choose to get behind the wheel of a car while impaired and take to the highways and byways of Canada, and many more are injured. This remains an extremely dangerous and extremely serious problem in Canada. Hopefully this type of legislation will help not only to deter people but to detect those who do engage in this dangerous practice.

The organization known as MADD has also been calling upon the government to introduce legislation in this area for some time, but in other areas as well, including lowering the impairment level to 0.5% and establishing a mandatory parliamentary review to look at the practices and the enforcement mechanisms every five years.

*Government Orders*

One other element MADD has been calling for is essentially barring the use of conditional sentences for impaired driving as they would attach when meted out by judges in a courtroom. Conditional sentences, I would suggest, really undercut the seriousness of this type of offence and the peril that can result when a person recklessly operates a motor vehicle while under the influence.

There are many other associations and groups that support the steps taken in this legislation, including the Canadian Professional Police Association and the Association of the Chiefs of Police. Customs and Excise also deals regularly with this at our borders.

For those reasons, I would suggest that it is a bill which warrants and merits support. We will be looking at the legislation in greater detail at committee, where it will be dealt with in an expeditious way, but again, I would suggest for emphasis that this bill should certainly be in place before any other legislation which enables and permits persons to be in possession of small amounts of marijuana. There is also the possibility of putting in place specific crimes related to transporting marijuana in a vehicle of any sort, at any time.

• (1310)

We in the Conservative Party of Canada are looking forward to participating in the debate, both here in the House and in the attempts we will be making to improve and build upon this legislation at the committee. Similarly, I would encourage all members to do so for the betterment and the safety of this country.

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, it is indeed a pleasure to speak on the bill. We certainly hope that the bill gets speedy passage through the House because of its importance to Canada and Canadians.

What does the bill do? It enables police officers to do both the physical tests and the tests on bodily fluids to determine a person's ability to function behind a wheel and to ascertain whether the person's ability to drive a vehicle is impaired by drugs.

I use the term "drugs" loosely, because it involves a very large number of substances, not only the traditional drug of alcohol but also a whole panoply of other drugs that have recently come into society and can have quite a dramatic impact on a person's ability to drive a vehicle with competence. It involves not only those that are illegal, but also a group of them that are legal, which I will get to in a while. The group of legally acquired medications we can get over the counter can, with alcohol, have quite a substantial effect on impairment.

I will say this: what is not well known and not well addressed is the level at which these substances are used by kids in high school. They are substances acquired over the counter that can impair a person's ability to function physically and mentally. Examples are those drugs we use to prevent nausea and motion sickness and, indeed, the cough medications that have low levels of narcotics. If people take enough of these and combine them with alcohol, particularly persons who are tiny, small and young, they have a combination in their bodies that might lead them to have quite a significant impairment in their ability to drive a vehicle. I will get to that in a moment.

The bill is important for a number of factors. It enables us to deal with the most important aspect of driving a car, which is the ability to actually function behind the wheel. The tests will enable police not only to convict somebody, but also to exonerate somebody who is innocent. It is a physical test, to be sure, and also it is a test for accessing bodily fluids. If people choose to say no to those tests, they will be charged, convicted and fined for not adhering to that request from the police, just like somebody who refuses a sobriety test for alcohol.

The test is important because it also would give our police forces a number of training opportunities that will enable this particular facility to be across our country with great rapidity. Our government is putting a lot of resources into doing just that.

On a personal note, I would like to say why this is important. I think many of us have actually seen people or know families who have sustained the loss of a loved one in a drunk driving accident. We know that those families pay a price long after that loved one has died. In fact, I would submit to members that they never get over it. The person is yanked out of our lives. At one moment in the morning the person is alive and perhaps by nightfall we get that dreaded call that our loved one has died, died in an instant because someone chose to get behind a wheel, inebriated from many sources, and drove into that person's vehicle, killing them. The people could have been driving a vehicle or maybe they were pedestrians. Even people on bicycles are run over. These are heinous losses that we hope we will never have to confront. Sadly, some of us do.

It also bespeaks the larger problem of substance abuse. The member on the other side, the deputy leader, spoke about the issue of marijuana. I would like to go into that for a moment.

There have been some criticisms from the other side, but let me make it very clear that this government and everyone in this House, all of us, are committed to the reduction of use of marijuana and all illegal substances. There is not a person in the House, I would submit, who is not for the reduction of substance abuse, the reduction of harm and the reduction of the pain and suffering that people endure from the use of illegal drugs, not only the ones that we have known about, not only marijuana, which has a negative effect on people's functioning, but also cocaine and heroine and now some of the designer drugs like ecstasy. There is also crystal meth, which has a heinous effect, particularly on the young. It is hooking a lot of young people into the sex trade. It is highly addictive. There are a lot of ramifications.

I submit that everyone in the House wants to deal with this issue not on the basis of emotion but on the basis of fact. What we are trying to do is implement solutions that will reduce use, reduce harm, reduce incarceration, make our streets safer and improve the health of Canadians. That is what we are trying to do, based on fact, not on emotion, and not on someone's notion of morality but on fact.

We are trying to deal with the facts and solutions from all over the world, with best practices whether they be European, from the United States or from Canada, and we are trying to spread those solutions across the country so we can work with the provinces to decrease use.

*Government Orders*

•(1315)

The bill is part of an albeit punitive effort to try to reduce harm caused by those who would get behind a wheel while taking substances that affect them, but it is also part of a larger picture that we are trying to accomplish here, and part of that is the issue of prevention.

With the blessing of the Prime Minister, the Minister of Social Development has a fund available that he and our government want to use to deal with early childhood learning. Why is this important? The former minister of labour has done an enormous amount of work on this issue and knows full well that if we are going to prevent substance abuse, we have to deal with the kids early on. The earlier we deal with them the better it is.

Perhaps the best model of this is the Head Start program, which dramatically reduced a whole host of parameters of social problems. That works. It works because we deal with parents and we deal with children before the age of seven. I know that the minister wants to deal with this in early childhood learning. If we do, we will then be dealing with a host of problems that some of our children have. In dealing with this, we will have healthier adults and a healthier society. This is particularly important for members of some aboriginal communities where substance abuse has become a horrendous problem. Members on our side of the House as well as members of all parties are committed to addressing this heinous problem.

This involves not only the Head Start program but also detox, treatment programs that get the addict out of the drug environment, skills training and work. This combination of solutions will effect change and will effect a reduction in substance abuse. It will effect a change in the health of Canadians. That works. That is what we are trying to do in the larger picture.

If we fail in doing this and adopt a more punitive model to deal with substance abuse, then we will have a situation like the one in the U.S. The U.S. uses a more punitive series of measures, basically "throwing the book" at the addict. This results in higher use, higher disease rates of hep A, hep B, hep C and HIV, higher incarceration rates, and more crime and a greater cost to society. It is a lose-lose proposition. We have to look at people with substance abuse problems as a medical problem, not a judicial problem. Let me say it again: in my view, someone with a substance abuse problem has a medical problem, not a judicial problem.

The judicial problem lies with those people who have commercial grow operations and those people who are connected to organized crime. Those individuals are pushing these substances. They are the criminals. The people living off the avails of individuals with this medical problem are the criminals.

We also have to look at this in context and increase awareness. As I said in my earlier remarks, one of the things that is not well known is the degree to which some people in high school are using easily acquired over-the-counter substances. These substances contain narcotics, albeit low dosages. I am speaking about substances such as medications used for nausea and motion sickness. These can affect a person's ability to think as well as the adequacy of motor

skills. When combined with alcohol, these substances can have a profound impact.

In closing, let me say that we hope members from across party lines will look at this bill as a sensible bill that will enable the police to do their job in trying to differentiate between those who are under the influence and impaired and those who are not. It would broaden their powers, to be sure, but I submit that those powers are necessary given the fact that there is a broader range of drugs that cannot be easily tested for in traditional ways. I look forward to the commitment of the House to dealing not only with this issue but also with the larger issue of how we can reduce substance abuse in Canada.

•(1320)

**Mrs. Lynne Yelich (Blackstrap, CPC):** Madam Speaker, I am pleased to rise today to join in this debate on a subject that affects us all, impaired driving. We are all concerned about safety. As parliamentarians, as parents, and as concerned individuals, safety is something for which we are all striving.

The issue of safety and trying to reduce the loss of life, injury and property damage as a result of impaired drivers is always on my mind because of recent events in Saskatchewan. A woman there is facing multiple charges, including impaired driving causing death, in connection with a Canada Day crash that killed six people and injured another nine. She was already facing drinking and driving charges at the time of the collision.

There is no clearer reminder of the human costs of impaired driving than speaking to the parents and the families of the victims. I know this because I have personally heard those stories of loss, pain and anguish.

Reducing the potential for carnage on our roadways by deterring drivers from getting behind the wheel when they are impaired is a concrete step we can take to make our communities notably safer. The bill before us, Bill C-16, proposes to achieve this goal by authorizing police to demand a standardized field sobriety test when they suspect an individual is driving while impaired by drugs. Refusal to give a sample will now be a criminal offence. It also allows for a sample of bodily fluids to be taken at a police station if impairment is suspected. Under the current Criminal Code provisions, such sampling is provided on a voluntary basis only.

According to Mothers Against Drunk Driving Canada, and we all know the good work that organization does, there are somewhere between 1,400 and 1,600 impaired crash fatalities in Canada each year. That is 3.8 to 4.5 deaths per day. In my mind those are all preventable deaths. MADD further reports that in 2001, 71,563 individuals were injured in impaired driving crashes. That is 195 per day, and this figure does not include impaired crash injuries occurring on the water.

*Government Orders*

Those are just the human costs. Billions more are spent on health care, emergency services, insurance claims and property damage as a result of impaired driving.

I have to note that the legislation before us today was introduced on the same day that MADD launched its annual public awareness campaign for sober driving, and perhaps ironically on the part of the government, on the same day that the Liberals reintroduced legislation to decriminalize marijuana, one of the leading causes of drug impaired driving.

Impaired driving is a concern across the country. We heard examples of that from my colleagues, but the problem is particularly bad in my home province of Saskatchewan. According to the Canadian Community Epidemiology Network on Drug Use 2004 report for Regina, Saskatchewan has traditionally suffered higher per capita rates of impaired driving than many other comparable jurisdictions in Canada. The potential for drug impaired driving is also high in the province due to the level of drug use there. Information from the same CCENDU report I mentioned earlier indicates the use of illicit drugs is on the rise.

In 2002, cocaine related diagnoses in the Regina—Qu'Appelle health region increased 73% when compared to the 2001 data. Reported violations under the Controlled Drugs and Substances Act showed almost a 15% increase in total reported cannabis violations in the city of Regina in 2002. Heroin, morphine and other narcotics violations also increased in 2002.

At the same time we are also facing legislation that would decriminalize marijuana which, despite what the government claims, I believe will make possession and use of the drug even more of a problem than it is now. People, especially our youth, do not always understand that decriminalization does not mean legal. They may hear about what the government is trying to do and actually think it is an endorsement of cannabis. We have to protect against this.

This is a snapshot of the potential for drug impaired driving from illicit sources. However not all impaired drivers are under the influence of alcohol or illegal drugs. Over the counter or prescription medications can also result in impairment, and this bill rightly addresses that issue.

According to the 1996-97 national population health survey, more than one in 10 Canadians, 11.6%, had used prescription medication in the previous month. The highest prevalence of use was in British Columbia at 15% and the lowest was in Newfoundland at 6.2%. Opioid analgesics were used by 4.7% of Canadians age 15 or older, antidepressants by 3.6%, sleeping pills by 3.5%, tranquilizers by 2%, steroids by 0.8%, and diet pills by 0.5%.

• (1325)

In 1994 the top three therapeutic classes of drug prescriptions were cardiovascular drugs, systemic anti-infective drugs and psychotherapeutic drugs. Combined they represented some 79.3 million prescriptions. The potential for drug impaired driving is clear, even among those who may not consider themselves impaired or even consider the possibility. Awareness should be a key issue in dealing with impaired driving.

As I have mentioned, Bill C-16 amends the Criminal Code to permit police officers to test whether an individual's ability to

operate a motor vehicle or complex machinery is impaired by a drug. I applaud that initiative.

My party colleagues and I support all legislation that effectively improves police officers' ability to detect drug impairment and detain suspected drug impaired drivers for testing. We support legislation that will effectively reduce the number of impaired drivers on our roads. We also support the allocation of funding for research into new technologies that would assess drug impairment on site. Detecting and deterring impaired drivers makes our roads and waterways safer.

We are, however, concerned that the legislation does not train enough police officers in detection methods before 2007 or 2008, long after the government intends to decriminalize marijuana.

Roadside technology will not be available in the foreseeable future and police will still be learning new detection methods long after the government intends to have marijuana decriminalized. I do not think it is appropriate to have such a gap. In fact, it is a dangerous oversight.

MADD has expressed concern about whether the federal government has allotted enough money for training. I am left wondering how already cash strapped municipal police services will pay for training. Without adequately trained officers, indeed without enough officers period, this legislation is meaningless.

Thinking back to the recent case in Saskatchewan which I mentioned earlier, I also have to say that the government has not included tough sentencing in its measures to reduce impaired driving. We can see current measures are not enough. Had the driver I spoke of been detained, or perhaps been adequately counselled or treated, six people might still be alive today.

A vehicle under the control of an impaired person can be a deadly weapon. We have to make sure that problem drivers do not have that weapon repeatedly put back into their hands with only a slap on the wrist to deter them.

Overall, I am in favour of the intent and principle of the bill and what it strives to achieve, safer communities. It is up to the members of the House to ensure the bill is as effective as it can possibly be. I urge everyone here to consider the points I have raised today if this bill goes to committee.

*Government Orders*

• (1330)

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I am pleased to speak to Bill C-16. I will start by saying that our position is clear; the Bloc Québécois supports the bill, but with a reservation which I will explain later in my speech.

I will take the time to read the summary to Bill C-16. It says:

This enactment amends the Criminal Code to clarify that the reference to impairment by alcohol or a drug in paragraph 253(1)(a) of that Act includes impairment by a combination of alcohol and a drug. It authorizes specially trained peace officers to conduct tests to determine whether a person is impaired by a drug or a combination of alcohol and a drug and also authorizes the taking of samples of bodily fluids to test for the presence of a drug or a combination of alcohol and a drug in a person's body.

The enactment also makes consequential amendments to other Acts.

You will have understood how important this bill is. Of course, to those who are listening to us, it is clear that clause 253 makes driving while impaired by alcohol illegal. Everybody knows that. Too often we see in the media horrific reports about the serious accidents caused by repeat offenders.

We now have a bill to deal with the issue, even though no matter how powerful our legislative assembly is, we cannot prevent the havoc caused all too often by impaired drivers. However we cannot stop there. The bill goes a little further.

We do have rather important statistics. A study by the Société de l'assurance automobile du Québec reveals that over 30% of deadly car accidents in Quebec were caused by drivers impaired either by drugs or a combination of drugs and alcohol. Of course, even though the current act deters or punishes drivers impaired by alcohol, a whole category of impaired drivers is not covered—those who drive under the influence of drugs. Bill C-16 is aimed them.

We must analyze this bill. Impaired driving is already an offence under the Criminal Code. The maximum penalty is a life sentence. At the present time, the Criminal Code does not give police officers the right to require a driver to undergo physical sobriety testing or to submit bodily fluids as part of an investigation under section 253a. That is what Bill C-16 is intended to cover.

This is why I was talking of vigilance. These analyses require police officers to be trained. At this time, it is estimated that it will take about \$7 million to train police officers and to obtain the necessary equipment for testing.

Clearly, this will be a new way of doing things. Currently, a breathalyzer is used. The person blows into it to determine the alcohol level. Having never done this, and hoping never to have to, I do not really know how it works, but I do know that the same test cannot be used to determine whether someone is under the influence of drugs. More complicated testing, which may include taking samples of body fluids, is required.

So this is a change to a whole area of law, and we agree with that. Things must be done properly, so our police officers need to be trained and the money and resources must be available to achieve our goal and avoid any challenges.

I am going to go into this in greater detail. There is a reference to standard field sobriety tests. When there are reasonable grounds to suspect the presence of a drug in a driver's body, these tests are to test divided attention, ie assessing the ability to do several things at the same time. These are done at the roadside.

So, once trained, the police officer could check whether the person is really impaired. Too often, they test people if they have alcohol on their breath. With this bill, however, if they feel the driver is not in a fit state, they can use these standard field sobriety tests.

• (1335)

There are also the evaluations done by the drug recognition experts. When a police officer has reasonable grounds to believe that a drug-impaired driving offence has been committed, particularly when a driver has failed the standardized field sobriety test, these evaluations are done at the police station.

Here is how it works: the standardized field sobriety test is done at the roadside to check the driver's condition. Then, if the police officer is of the opinion that the test indicates that the driver is not fit to drive a vehicle, this person will be taken to the station where drug recognition experts, or DRE, will take over. The federal government describes the DRE evaluations as being effective enough to exclude drug-related impairment due to medical treatment and to help the authorities direct the drivers to the appropriate medical services.

Of course, it has to be understood that we do not want a person who has a non-drug-related medical problem to face the criminal consequences of impaired driving. The government is thus telling us that the drug recognition experts will be able to distinguish between a sick person and a person who is driving while impaired.

The third step would be to obtain samples of saliva, urine or blood when the peace officer determines, after the first two steps, that the impairment is caused by a specific type of drug. Obviously, one understands that the first test is the standardized field sobriety test which takes places at the roadside. Actually it is an aptitude test. In the event of failure, the peace officer takes the person to the police station where drug recognition experts will evaluate if the person is sick.

*Government Orders*

Obviously, if there is a medical condition, it is not a question of impaired driving. Conversely, if drug-impaired driving is established, then, samples of saliva, urine and blood would be taken to determine the level of drug contamination or level of impairment, in order to assess the person's ability to operate a vehicle.

As far as addressing the criminal offence, of course, in the event of impaired driving, the minimum fine would be \$600 for the first offence and, for all subsequent impaired driving offences, the fine would be calculated accordingly.

As members will realize, this is where we now stand. When a study by the Société de l'assurance automobile du Québec tells us that 30% of drivers involved in accidents were under the influence of drugs other than alcohol, we can see that this is a serious problem in our society. The time has come to amend the Criminal Code. That is why the Bloc Québécois, my colleagues from Champlain, Trois-Rivières and Abitibi-Témiscamingue, join with me in stating that the Bloc Québécois agrees fully with this bill. We will never stop using our influence in this Parliament to promote progress in our society.

As I am being told that I only have one minute left, I will conclude this way. One of the key ways to foster the evolution of our society is by enacting laws. I only wish that the young women and men listening to us would understand that we do not enact laws for the mere purpose of being tough or to target a certain class or a certain category of society. We are not attacking young people. We are attacking drug users who, again, are responsible for 30% of the accidents on the roads and for which they are not charged, because they are not considered to be people whose driving is impaired by alcohol.

Hence, the best way for these young people of Quebec not to run up against this legislation is not to use drugs or alcohol when they drive.

• (1340)

[English]

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Madam Speaker, I am happy to see Bill C-16 before this House. I will be speaking in favour of sending the drug impaired driving bill to committee.

This bill would enable police to demand physical roadside tests. If an officer were to have a reasonable belief that a driver is committing an impaired driving offence, the officer could demand that the driver participate in a drug recognition evaluation by a trained officer back at the station.

[Translation]

If the drug recognition expert concludes that the person is impaired by a drug, the peace officer can demand that the driver provide samples of bodily substances to confirm the presence of the type of drug which, in the opinion of the peace officer, is the cause of impairment.

[English]

It would be a criminal offence to refuse to comply with any of these three demands. These new offences would be punishable in the same way as a refusal to provide a breath sample by a person who is suspected of being impaired by alcohol.

Clearly, members will want to be assured that the tests are based on solid science and will reliably detect drug impaired drivers. I am pleased to assure the House that the DRE program has been highly successful and has been validated by research.

Although the bill provides for the test to be set out by regulation, there is no secret about what those regulations would contain. The DRE program is now more than 20 years old. Since the early 1990s it has been operating under the aegis of the International Association of Chiefs of Police.

The IACP has a drug evaluation and technical advisory panel composed of scientists who are constantly working to refine the tests and make them more effective. The IACP holds a conference annually so that police forces and prosecutors can exchange information and hear directly from the scientists.

I understand that the regulations which will be developed when the bill is passed will adopt the IACP standards. By putting the standards in regulations, it would be easier for Canada to remain abreast of developments around the world. It would be simpler to amend the regulation than to have to put a bill through Parliament.

What are these tests? The standardized field sobriety test is a battery of three tests administered and evaluated in a standardized manner to obtain validated indicators of impairment and establish probable cause for arrest. These tests were developed as a result of research sponsored by the national highway traffic safety administration and conducted by the Southern California Research Institute. The three tests of the SFST are: horizontal gaze nystagmus, walk-and-turn and one-leg stand.

In the horizontal gaze nystagmus test, the officer observes the eyes of a suspect as the suspect follows a slowly moving object, such as a pen or small flashlight, horizontally with his or her eyes. The examiner looks for three indicators of impairment in each eye: first, if the eye cannot follow a moving object smoothly; second, if jerking is detected when the eye is at maximum deviation; and third, if the angle of onset of jerking is within 45 degrees of centre. If, between the two eyes, four or more clues appear, the American national highway transportation safety administration research found that this test allowed proper classification of approximately 88% of suspects. Besides impairment by alcohol, HGN may also indicate consumption of seizure medications, phencyclidine, a variety of inhalants, barbiturates and other depressants.

In the walk-and-turn test, the subject is directed to take nine steps, heel to toe, along a straight line. After taking the steps, the suspect must turn on one foot and return in the same manner in the opposite direction. The examiner looks for eight indicators of impairment including whether the suspect stops while walking to regain balance or does not touch heel to toe. NHTSA research indicated that 79% of individuals who exhibited two or more indicators in the performance of the test will be impaired by alcohol or a drug.



*Government Orders*

In the one-leg stand test, the suspect is instructed to stand with one foot approximately six inches off the ground and count aloud by thousandths, one-one thousandth, two-one thousandth, et cetera, until told to put the foot down. The officer times the subject for 30 seconds. The officer looks for four indicators of impairment, including swaying while balancing, using arms to balance, hopping to maintain balance and putting the foot down. Again, NHTSA research indicated that 83% of individuals who exhibited two or more such indicators in the performance of the test will be impaired.

The battery of tests is accurate in identifying 94% of drivers who are impaired by alcohol or a drug. Therefore, these tests are not subjective impressions by the officer who proceeds at random. The officer is making the suspect perform tests that have been scientifically validated.

I believe members will agree that this is sufficient accuracy to justify the officer in demanding that the person who has failed SFST and who does not have a blood alcohol content in excess of .08 participate in the DRE tests.

• (1345)

*[Translation]*

The process followed by the officer trained as a drug recognition expert involves 12 different steps that must be followed and recorded. I will not get into a comprehensive review of this process, but I am convinced that, when they review this legislation, committee members will want to get the opinion of scientists and RCMP officers who have been trained as drug recognition experts.

The officer trained as a drug recognition expert will make general observations on the condition of the suspect. He will ask him questions about his health problems, examine the size of his pupils and conduct an eye-movement tracking test. If, at this stage, the officer is of the opinion that the person has a medical problem, he will end the tests and the person will be taken to a medical establishment to receive medical attention.

If the person does not seem to have a medical problem, the drug recognition expert will check three vital signs, namely blood pressure, temperature, and pulse, and he will conduct other visual examinations, including tests to measure reaction to light in a dark room and ability tests relating to the person's attention.

It goes without saying that the drug recognition expert will put all his observations in writing. Once the tests are completed, the officer must form an opinion as to whether the person's ability is impaired by the effect of a drug and, if so, determine the type of drug involved.

Different drugs have different effects on the human body. Scientists know that certain drugs increase a person's pulse, while others slow it down. Some drugs have an effect on a person's eyes, while others raise blood pressure, among other changes.

Drug recognition experts can identify seven families of drugs: central nervous system depressants, better known as tranquilizers; inhalants, volatile solvents, aerosols and anesthetic gases; phencyclidine, which is a dissociative anesthetic; cannabis; central nervous system stimulants, better known as "speed", for example cocaine;

hallucinogens, including LSD and ecstasy; and narcotic analgesics, including morphine and heroin.

Drug recognition experts can also identify the use of several drugs.

*[English]*

The DRE officer must certify which drug is causing the impairment. A bodily fluid sample is then taken and is sent for analysis. If the analysis finds the drug that the officer certified was present, the prosecution will proceed. If it does not, the prosecution will be stayed.

Members will be reassured to know that research conducted in the United States on the effectiveness of DRE has been uniformly supportive of the program. In the original NHTSA study of the DRE program as it was operating in California in the 1980s when the DREs claimed drugs other than alcohol were present, those were detected in the blood in 94% of cases. Since then the program has expanded dramatically in the United States. In Arizona, DREs successfully identified 91% of cases; in New York, 92.4% of cases; and in Minnesota, 94% of cases.

I urge members to support referring this bill to committee.

• (1350)

**Mr. Bradley Trost (Saskatoon—Humboldt, CPC):** Madam Speaker, it is a very serious piece of legislation that we deal with here today, which is not to imply that any other legislation is not serious. The core of the legislation, the attempt that is being made in the bill has at its roots an attempt to protect human life, something of which we must not lose sight.

Whenever people get behind the wheel of a vehicle while impaired, they not only threaten their own lives, but they threaten the lives and well-being of everyone that comes in contact with them. I stress this point because in parliamentary debate it is often too easy to forget the people involved. It is too easy to merely recite numbers, statistics and facts and forget that each person affected by our legislation is very real, has a family, has friends and has a vibrant life.

No legislation should just be for public relations purposes. Legislation that impacts on human life should be even more thoroughly reviewed so that we will not need to revisit the matter in the future and so that we will not need to fix areas that we had overlooked in the first consideration of a bill.

Having said all that, when I look at the legislation, the first question that comes to my mind is, how does this piece of legislation fit in with an overall strategy? How does the legislation fit in with the government's strategy for dealing not just with impairment of drivers, but with an overall drug strategy?

I pose the rhetorical question, does the government have an overall comprehensive plan in dealing with the drug abuse problem that Canadian society is dealing with, or is there only a piecemeal approach? Is there only a firefighter mentality, that when we have a problem, let us only then deal with it?

*S. O. 31*

I think of some of the problems that have been reported in my home city of Saskatoon. According to police reports over the last year, the amount of crystal meth has quadrupled in the city of Saskatoon. The drug problems in Canada need to be tackled with renewed vigour. More than just minor tinkering with legislation is needed. We need an aggressive approach to deal with the entire drug abuse problem, a problem that extends far beyond drug impaired driving.

Having set the broad landscape in which the bill lies, let me deal with some of the specific elements of the bill. The aims and goals of the bill should be commended. I have spoken with substance abuse counsellors and a retired police officer and the reaction has generally been positive. They appreciate the enhanced ability of law enforcement officers to administer assessments of driver impairment. They view this as a necessary step, if only the first step.

It raises the question as to how we can implement this in the practical sense. How efficient and how accurate will the assessments be? This is relevant for a very simple reason. The law is useless if it cannot be brought into force. It will have no effect if it cannot be enforced in the very streets of our nation. It is for this reason that one must question the seriousness of the government's commitment to this issue.

According to my briefings on the legislation, the training of law enforcement officers in these techniques will not be completed until 2008, four years from now. If anything expresses my frustration, this is it. Drug impaired driving has long been a problem in Canada, yet the government seems not to have made it a priority. Any effort that the government can undertake to speed the training of law enforcement officials should be done. As I stated earlier in my speech, it is ultimately a matter of human life. It should be given the highest priority.

I would also like to offer my encouragement to the government to act with all haste on the technological front.

●(1355)

It is my understanding that for many of the drugs, there is no effective test, no effective technology. There is no equivalent to the breathalyzer for alcohol.

Be it in conjunction with other jurisdictions or through enhanced efforts of the government, all attempts should be made to prioritize and provide law enforcement officials with the technology they need to effectively enforce this legislation. There are two specific reasons that I understand this would be necessary.

First, it is my understanding it is more difficult for prosecutors to prosecute if they do not have the scientific technological evidence. While I am not a lawyer, this does seem to me to be a problem prosecutors may face. It goes back to my earlier point that for the law to be real, it must be enforceable.

The second reason is that the technology will help to catch impaired drivers that other techniques may overlook. No peace officer will ever be 100% accurate and no technology will ever be 100% accurate, but the combination of trained officers and enhanced technology should make for safer streets.

The final point I would like to make on this bill is its relation to other legislation. As I stated earlier, no bill can be seen on its own. It must be seen in the light of an entire legislative and policy agenda.

As seems clear from other legislation, the government seems intent on decriminalizing, and in my opinion I believe eventually fully legalizing marijuana. This legislation, Bill C-16, seems nothing but an attempt to deal with some of the problems that other legislation will cause. The bill seems to be a classic case of closing the barn door after the horse has escaped.

Will the legislation stand on its own merits? One must really ask why the government, after a decade in power, is only now bringing this legislation before the House. The answer is that this legislation is an attempt to cover for other failings in other legislation.

Let me close by offering the government some general advice on the bill and the overall policy with regard to drug abuse and drug impaired driving in Canada.

The government should deal with the root of the problem. By the time a driver gets behind the wheel of a vehicle, a failure has already occurred.

A tough law and order campaign might be a good start. Being tough on first time drug abusers not only helps society at large, but it also helps the abuser. In short, a tough love approach, an aggressive approach will help not only society but much more, the abuser involved.

Second, the government should not decriminalize marijuana. This is an area where we should show leadership. We should not enable drug abusers. We should not enable drug abusers to have a discount in purchasing their drugs. That is the effect of the government's overall agenda.

What the government seeks to control with Bill C-16 it seeks to encourage with Bill C-17. We must be consistent in our actions. We must move to defend the citizens of Canada from the dangers of drug impaired drivers.

This legislation in itself is a positive step, but we need to do more. We need a full comprehensive approach to this problem.

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## STATEMENTS BY MEMBERS

●(1400)

[English]

### GALLANOUGH RESOURCE CENTRE

**Mrs. Susan Kadis (Thornhill, Lib.):** Madam Speaker, on November 7 I had the distinct pleasure of attending the fifth anniversary of the Gallanough Resource Centre.

The Gallanough Resource Centre is the only such centre in Canada acting as an educational and recreational facility, which provides library type services and programming for children and adults. The resource centre is renowned in my community for its membership, which is over 3,000 people, its children's book collection and its newly added Russian collection.

Recently a local Thornhill newspaper named Gallanough as the best community resource, despite budget cutbacks, and commended the volunteers at the centre for keeping this local gem running.

Bravo Gallanough.

\* \* \*

#### FAMILY DOCTOR WEEK

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Madam Speaker, I am very honoured today to be given the opportunity to announce Canada's Family Doctor Week. As we do so, we celebrate the important roles that family doctors play in our health care system and in the 50th anniversary of the College of Family Physicians of Canada.

I would like to highlight the important role that my family doctor played in my recovery after my accident, which left me a quadriplegic.

Dr. Rick Ross, from the Parkwest Medical Clinic in the Charleswood portion of my constituency, has been my doctor and my family's doctor for 27 years. It was nine years ago when Dr. Ross helped my family and I the most. He visited me in the hospital and, after discharge, he came to my home for house calls. He helped my parents and my siblings deal with the major psychological and emotional issues that we faced. Not only did he treat my injuries, but he helped treat my entire family, as he does to this day.

Dr. Rick Ross has played a critical role in my life and I know family doctors from across Canada also play a significant role in the lives of individuals and their families. I would like to thank Dr. Ross and all family doctors throughout Canada.

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#### THE ENVIRONMENT

**Mr. Alan Tonks (York South—Weston, Lib.):** Madam Speaker, the Arctic ecosystem is an integral part of Canadian history and culture. One cannot stress enough the importance of the Arctic ecosystem in the day to day lives of the people in the north and all Canadians.

On November 8 the Arctic Council released its Arctic Climate Impact Assessment report titled, "Impacts of a Warming Climate". According to the report, the Arctic is extremely vulnerable to observed and projected climate change and its impacts.

The Arctic is now experiencing some of the most rapid and severe climate change on earth. Over the next 100 years, climate change is expected to accelerate, contributing to major physical, ecological, social, and economic changes, many of which have begun already. Changes in Arctic climate will not only affect Canadians, but the effect will be evident globally through increased warming of the earth's climate and rising sea levels.

I urge the Government of Canada to act upon the recommendations in this report and ensure a healthy and prosperous Arctic for not only future Canadians but a sustainable global community.

*S. O. 31*

[*Translation*]

#### PRÉVOST BUSES

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Madam Speaker, an extraordinary project is taking shape in my riding. A group of people have taken on the pleasant task of restoring a Citadin 1952, one from the first buses built by Eugène Prévost.

Some former employees of the company, under the direction of René Prévost, the founder's son, have volunteered close to 2,000 hours in tribute to a great Quebecker. Prévost buses ply the highways and byways of North America. In fact, most of the tourist coaches we see here on Wellington Street proudly display the Prévost insignia.

This historic vehicle will be part of a permanent exhibit by the Sainte-Claire heritage society on the life and work of Eugène Prévost.

I have the privilege of drawing hon. members' attention to the extraordinary contribution made by these pioneers of the North American transportation industry, since this company is located in my riding.

\* \* \*

[*English*]

#### BUSINESS AWARDS

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Madam Speaker, I rise today to congratulate the Fort Frances Chamber of Commerce on its ninth annual business awards banquet. The event featured the presentation of 12 awards of recognition to members of the business community in the Rainy River district.

Of specific note are the recipients of the James Paul Award. The origins of the Fort Frances Chamber of Commerce can be traced back to Mr. Paul who originated the Fort Frances Board of Trade in 1907. The award made in his name is given to individuals who have made an outstanding contribution helping the Fort Frances Chamber of Commerce serve its community.

This prestigious award was presented to two worthy nominees this year: Mr. Kim Metke and Mr. Mel DeGagne. It is a distinct pleasure for me to acknowledge these shining examples of community spirit. My deepest thanks to Mr. Metke and Mr. DeGagne for their efforts, and to the Fort Frances Chamber of Commerce for its significant community achievements.

\* \* \*

● (1405)

#### SANTA CLAUS PARADE

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Madam Speaker, I rise today with a crucial announcement. Father Christmas has been seen and he chose my riding of Nepean—Carleton to make his first presence known of this Christmas season.

This past Saturday I had the honour of participating in the very first Barrhaven Santa Claus parade along with the Southpointe Community Association, which won the best float award.

*S. O. 31*

Community sponsors of the event included the Barrhaven Lions Club, Jack May Pontiac and Ross' Independent Grocer. Our local grocer, Ken Ross, awarded long time Lion and veteran of our armed forces, Gus Este, with a bursary for his hard work in our community.

I want to acknowledge the hard work of Lions organizers Ray Trudel, president, James Doyle, vice-president, Karen Doyle, past president, Jim Duff, second vice-president, Barb Maguire, and Al Tanner, Gerry Langevin and Larry Harding. All these people have worked hard in our community. I can assure you, Madam Speaker, that Santa Claus will be back to reward them on December 25.

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#### ELLEN FAIRCLOUGH

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Madam Speaker, I rise today to pay tribute to a great Canadian who died over this past weekend, Ellen Louks Fairclough.

Ms. Fairclough became Canada's first female cabinet minister in 1957, assuming the position of secretary of state and proceeding to other portfolios of citizenship and immigration, Indian affairs and postmaster general.

Prior to being elected federally in 1950, Ms. Fairclough was very involved in her community. She served as a Hamilton, Ontario city councillor for five years and held several executive positions in many organizations.

A member of Parliament for 13 years, she averaged 150 speeches a year in the House of Commons on a wide range of issues. She was determined to be more than just a token woman in cabinet. She introduced private bills for equal pay for work of equal value.

Many honours were deservedly bestowed on Ellen Fairclough culminating in that of a Companion of the Order of Canada. She also received the title of Right Honourable by Her Majesty Queen Elizabeth II and the Governor General's Award in commemoration of the Persons case.

\* \* \*

[*Translation*]

#### DIABETES AWARENESS MONTH

**Ms. France Bonsant (Compton—Stanstead, BQ):** Mr. Speaker, the month of November is Diabetes Awareness Month. Diabetes is a chronic disease caused by a lack of insulin, which leads to an excess of sugar in the blood. Although there is not as yet any cure, the disease is controllable.

It is estimated that close to 500,000 Quebeckers are affected by this disease, a figure that could double by 2025, since seniors are most at risk.

I would like to draw attention to the work being done by Diabetes Québec. For more than 50 years, this organization, which now has more than 2,400 volunteers in 45 associations throughout Quebec, has been helping diabetics.

Diabetics and the organizations working with and for them deserve our support. I call upon the federal government to do its share by transferring to Quebec and the provinces the funds

necessary to enable them to meet the many ongoing needs of those with diabetes.

\* \* \*

[*English*]

#### VOLUNTEERISM

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, today I pay tribute to fundraising excellence by the Robertson-Surette Group of Nova Scotia for the wonderful Izaak Walton Killam Hospital in my community.

In 2002 the Robertson Surette Group agreed to be presenting sponsor of the IWK's premier fundraising dinner for three years. They decided that it would be a unique idea to have young people provide the entertainment at the gala and they christened it the "Great Big Gig".

Over the past three years they have raised over \$350,000 and the work has been done by the employees at the firm.

Young artists like the Cottars, Gary Beals and J. P. Leblanc have thrilled the guests over the years and have laid a foundation for Tom Smith and his team from Timber Mart who have agreed to be the presenting sponsor for the next three years.

Volunteers are the heart of our community. I congratulate Mark and Angela Surette, Jeff Forbes and all the team at the Robertson-Surette Group for the great work that they have done on behalf of Atlantic Canada's children.

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#### THE ENVIRONMENT

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, last week the Arctic Climate Impact Assessment released its report on the impacts of a warming Arctic.

The report says that the Liberal government has failed in its responsibility to protect our north and Canada's environment. The Liberals are losing sovereignty over the Arctic. The Liberals are losing opportunities for economic and northern development. The Liberals have lost when it comes to managing the environment. If the Liberal government is not careful, its inaction will lead to the loss of a way of life that predates the existence of our great country.

The fact is the government has failed to put into place a realistic plan to address environmental problems. The result is that real damage can now be seen from the remoteness of the Arctic Circle to the smog that hovers over Canada's major cities.

Sovereignty is not about sending a ship through the Arctic waters once a year or conducting some military exercises. Real sovereignty is about working with aboriginal and non-aboriginal Canadians to ensure that development is done in a responsible manner. That includes environmental protection.

Once again, an independent report has highlighted the failures of the government—

• (1410)

**The Speaker:** The hon. member for Bramalea—Gore—Malton.

### PEN CANADA

**Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, November 15 marks the Day of the Imprisoned Writer. Around the world today, over 200 writers and journalists are in prison.

In 1926 an organization was formed in Canada to speak on behalf of imprisoned writers. PEN Canada has since expanded to include journalists, playwrights, publishers, translators, editors and screenwriters.

PEN uses words as weapons in the battle against censorship. Nevertheless, violations of freedom of expression remain widespread in the world today.

I would therefore ask my colleagues to join me in saluting the efforts of the Writers in Prison Committee of International PEN which is monitoring over 740 attacks upon writers and journalists in 99 countries.

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### ELLEN FAIRCLOUGH

**Mr. David Christopherson (Hamilton Centre, NDP):** Mr. Speaker, Canadians were saddened to learn of the passing of the Right Hon. Ellen Fairclough on Saturday, November 13. On behalf of the NDP caucus, all parliamentarians and all Hamiltonians, we wish to express our condolences to her family and friends.

Today Hamiltonians mourn their loss but are bursting with pride at her earned place in history. Mrs. Fairclough, Canada's first woman to hold a federal cabinet post, was an important political figure in the city of Hamilton as well. Before she was elected to the House of Commons, she was elected as a city councillor in 1946 and served as a Hamilton controller and deputy mayor for the year prior to her 1950 byelection win as the Conservative MP for Hamilton West.

Born in Hamilton in 1905, Ellen Fairclough was a leader, paving the way for a succession of notable politicians from Hamilton West, in particular Canada's first black member of Parliament, the Hon. Lincoln Alexander, and for the important women who have served and continue to serve as cabinet ministers in the Government of Canada.

\* \* \*

### ELLEN FAIRCLOUGH

**Hon. Stephen Harper (Calgary Southwest, CPC):** Mr. Speaker, I also rise today to pay tribute to the late Right Hon. Ellen Fairclough who passed away this past Saturday, just two months short of her 100th birthday.

In her professional, volunteer and political life, Ellen Fairclough was a pioneer, trailblazer and a role model. After an initial business career in her hometown of Hamilton as an accountant, she was elected to this place in 1950 as a Conservative MP and at the time the only female member of Parliament.

She served with distinction for 13 years. Under Prime Minister Diefenbaker, Ellen Fairclough was the first woman to be appointed to the federal cabinet and the first woman to be designated acting prime minister.

*S. O. 31*

As minister of citizenship and immigration, she was instrumental in revising the Immigration Act to completely eliminate racial discrimination from Canada's immigration policy. In her later years she was a passionate advocate for the involvement of women in political life.

Ellen Fairclough devoted her life to public service and the advancement of Canadian values. She will be remembered as an activist and humanitarian for her enduring commitment to this country.

\* \* \*

[*Translation*]

### YASSER ARAFAT

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, it was with great sadness last week that we learned of the death of Palestinian leader, Yasser Arafat. Mr. Arafat symbolized the aspirations of the Palestinian people for more than 30 years. In 1988 he said in a speech to the UN, "We reach for the olive branch because it sprouts in our hearts from the tree of the homeland, the tree of freedom".

In 1994, Yasser Arafat won the Nobel Peace Prize in conjunction with Yitzhak Rabin and Shimon Pérès for paving the way to signing an accord between his people and the people of Israel. Unfortunately, the Oslo accords that had inspired so much hope in the Israelis and the Palestinians did not culminate in the creation of a viable Palestinian State under international law.

On behalf of the Bloc Québécois, I want to express our deep condolences to the Palestinian people. We share their pain and want to reiterate our hope for a fair resolution of the conflict and lasting peace for both peoples.

\* \* \*

● (1415)

[*English*]

### EID

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, last month I rose in the House to wish all Canadian Muslims and people of Islamic faith a successful Ramadan. With the conclusion of Ramadan, Muslims are now celebrating Eid.

Eid ul Fitr is a period of joy and thanksgiving. Muslims show their joy for the health, strength and opportunities of life which Allah has given them to fulfill their obligations of fasting and other good deeds during the month of Ramadan.

I would like to take this opportunity to wish the Association of Progressive Muslims of Canada, led by President Mobeen Khaja, a successful eighth annual Eid celebration at Queen's Park in Toronto on November 19. This year the association will be honouring former Ontario Premier Bill Davis.

Since its inception, the association has been actively pursuing its mandate of building bridges of understanding between Muslims and other faith groups and projecting the proper image about Islam and its values.

*Oral Questions*

On behalf of Canada's official opposition, may I finally add to all my brothers and sisters of the Islamic faith, "Eid Mubarak".

\* \* \*

[Translation]

**RESTORATIVE JUSTICE WEEK**

**Hon. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I am pleased to speak in the House today to acknowledge Restorative Justice Week.

Restorative justice is a non-accusatory approach which addresses the negative effects of crime while meeting the needs of victims, offenders and the community.

[English]

The Correctional Service of Canada and Public Safety and Emergency Preparedness Canada support restorative justice programs in communities across the country. The Government of Canada first recognized Restorative Justice Week in 1996 and since then other countries have followed in our footsteps. Canada continues to be internationally recognized as a leader in this field.

I would like to encourage all members of Parliament to join me in acknowledging Restorative Justice Week and the hard work of all Canadians who strive to build safer communities.

**ORAL QUESTION PERIOD**

[English]

**TECHNOLOGY PARTNERSHIPS CANADA**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, among the many unfulfilled promises of the government is the promise to clean up government boondoggles.

Today we learned through an Industry Canada report that under Technology Partnerships Canada \$2.7 billion of taxpayer money has been loaned out over eight years and only 3% repaid. This report says that the government should finally admit that many of these loans will never be repaid.

Is the government still trying to convince Canadians the loans will be repaid?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I think the hon. member should know that Technology Partnerships Canada is a program that was set up to provide funding for technology which would not take place if it were up to the banks and the financial institutions of this country. It is designed to step in where there are benefits to the public that are well in excess of the benefits to the private company. It is a good program. It takes a long time for any of those repayments to occur but the benefits are very strong for the economy.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I guess the minister's answer is that the cheque is in the mail.

In the case of at least two recipients, Western Star and WorldHeart, they took the cash and left the country taking Canadian jobs with them.

Why is the Liberal government giving billions of dollars of hard-earned Canadian workers' money to companies that leave Canadians unemployed?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I think the hon. member knows that there are a lot of cases out there where we invest in companies in order to protect Canadian jobs and the suppliers to these companies continue to thrive.

Does every single investment that we make succeed? No, of course it does not. That will never be the case. It is not the case for banks and it will not be the case for Technology Partnerships Canada.

We have to take more risks. We have to take risks that the private sector would not take.

● (1420)

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the report also said that the government was exaggerating the job creation. Once again, the minister keeps on exaggerating today.

Among the receivers of the TPC loans was the Prime Minister's own family company, which received \$5 million after some rules were bent. We asked to see the agreement between the company in question and the government. What we got back on the repayment schedule was a completely blacked out repayment schedule.

I wonder if the government would be willing to table the repayment schedule so we could all see it here in the House of Commons.

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I think the hon. member knows that we try not to divulge commercially private information. He and Canadians should know that over 80% of Technology Partnerships' programs and initiatives go to the small business sector in this country.

\* \* \*

**PRIME MINISTER**

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, CSL is hardly a small business.

There is a lot this government does not like to divulge. For example, the Prime Minister's high-flying use of the Challenger jet in his pre-election campaign cost Canadian taxpayers almost \$1 million. Between January and May, the Prime Minister used the jet 26 times to make rehashed announcements, including who was running for the Liberal Party in British Columbia, and for his mad as hell tour in the aftermath of the sponsorship scandal.

Well, Canadians are mad as hell paying the bill for luxurious travel for political announcements.

When will the Prime Minister pay back this money to Canadian taxpayers for his pre-election Liberal campaign?

*Oral Questions*

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, the hon. member obviously forgets that as Prime Minister of this country the Prime Minister has an obligation and the responsibility to travel to all parts of this country. The Prime Minister works on behalf of all Canadians, regardless of where they live, which is why he goes to small communities like Pond Inlet, Rankin Inlet and other places. Canadians deserve to know that their Prime Minister is concerned about their issues and their—

**The Speaker:** The hon. member for Central Nova.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, if \$1 million on airfare were not enough, it turns out, through access to information, that of the 141 flights taken on the Challenger jet between January and July, over \$71,000 was spent on food. That does not include the bar bill. That represents an average of \$508 per flight, just less than the monthly grocery bill for a Nova Scotia family of four.

How does the Prime Minister justify spending the equivalent of the cost of a monthly family grocery bill on an air flight? Just what was on that menu?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, let me again remind the hon. member that the Prime Minister has an obligation to travel across the country to meet Canadians. Let me also underscore that any of the travel taken by the Prime Minister is approved under Treasury Board guidelines.

Instead of criticizing the Prime Minister for meeting Canadians, we should be pleased that the Prime Minister takes his commitment to Canadians regardless of where they live—

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

\* \* \*

[*Translation*]

**MIRABEL AIRPORT**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, not only does the government refuse to apologize for its poor handling of the whole Mirabel issue, but the Liberals are pushing the limits of arrogance by refusing to give back to those who were expropriated a portion of the land that was needlessly taken from them, even though this could be done without impeding the development of the airport.

Under these circumstances, how can the government explain the refusal of the Minister of Transport to let go of the 11,000 acres claimed by the Mirabel people whose land was expropriated?

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, Transport Canada is aware of ADM's concerns and challenges in this matter. The department has looked into several initiatives raised by ADM. For example, on October 15 stakeholders with interest in the matter of approved access met to discuss road and rail access planning. All of the partners agreed to collaborate fully in carrying out the projects.

• (1425)

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, It is rather obvious that the parliamentary secretary did not understand the question. I am referring to the claims made by farmers and to the 17,000 acres of land that still belong to the federal government. The people who were expropriated want 11,000 of these acres for farming. This would leave 6,000 acres for the operations of Mirabel and for its future development. Incidentally, this is twice the area occupied by the Dorval airport.

Since the Liberals' expropriation initiative was totally out of proportion and since there is still room for future development, will the government pledge to give back the 11,000 acres of farm land claimed by the people of Mirabel?

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, Aéroport de Montréal has informed Transport Canada that it received several proposals toward the airport. ADM has met with each of the bidders to discuss their proposals. Four bidders will present detailed proposals over the next three months and ADM will then evaluate each proposal.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, the Minister of Transport has rejected out of hand any possibility of selling back land that was expropriated in Mirabel in excess of what was needed even when the airport was fully operational, which is obviously no longer the case.

How can the Minister of Transport sink even lower in the Mirabel issue, not only by refusing to acknowledge the terrible mistakes made by the Liberal government, but especially by refusing to take steps to remedy to some extent the injustices suffered by those whose land was expropriated in Mirabel?

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, there are proposals on the table. Speculation about the possible project is premature. The selected proposals must respect the provisions of the ground lease. Once ADM has selected its proposal, Transport Canada will determine whether the minister's consent is required under the terms of the ground lease.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, the parliamentary secretary should read over the minister's notes. The minister carries a heavy Liberal legacy, which includes the mess at the Mirabel airport.

Should his current responsibility not be to apologize to the people of Mirabel and of Quebec as a whole for the Liberal government's incompetence in dealing with the Mirabel issue, and agree that the land currently leased be sold back to ensure once and for all its development?

*Oral Questions*

[English]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, the land right now is with Aéroport de Montréal. There are proposals coming forward. We are looking at those proposals and working with all the stakeholders to make sure there is indeed a proposal that makes sense.

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**NATIONAL DEFENCE**

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, my question is for the Minister of National Defence.

The Prime Minister has now admitted that the decision on star wars has already been made, the most important decisions involving that project. His own parliamentary secretary has now said that it is a done deal. When did Canada become a red state?

Will the minister admit that the decision has been made and that it was made according to the values of George Bush, not the values of Canadians?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, that is wonderful political rhetoric, but nothing could be further from the facts.

The fact of the matter is that the Prime Minister has correctly said that we entered into an agreement this summer to preserve Norad. It was only in respect of our role in Norad. There remains the discussion whether we will enter into the ballistic missile system with the United States. We are considering that in the light of the interests of Canada and whether it is appropriate for Canada.

It will be brought to the House for discussion and a vote. We will have a full opportunity to discuss it at that time.

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, to think that only 12 months ago 96% of Liberals thought the Prime Minister and his views on star wars were just fine.

[Translation]

Nineteen months ago, the Prime Minister said he supported the missile defence shield. Yesterday, he said that the most important decision had already been made. The truth is that the Prime Minister's mind is made up.

As far as the defence shield is concerned, why does what Bush thinks matter more than what Canadians think?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I think that 95% of Liberals think that the leader of the NDP does not know what he is talking about. That too is the truth.

A decision will obviously be made regarding the missile defence shield. The decision about Canada's participation will be made in the interest of Canada, taking into account the interest of the defence of North America and our American colleagues. However, before we do that, the whole issue will be put before the House and there will be a vote.

● (1430)

[English]

**CITIZENSHIP AND IMMIGRATION**

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** Mr. Speaker, the hot question for economic asylum seekers is, how can I volunteer for the Minister of Citizenship and Immigration?

Just three days before the summer election, the minister stepped in to grant a temporary resident permit to a 25 year old Romanian exotic dancer and campaign volunteer who came to Canada on a temporary work permit.

Why did the minister use her position to help a political supporter jump to the head of the queue?

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as the hon. member well knows, there is a process by which a Minister of Citizenship and Immigration can grant such a temporary visa on humanitarian and compassionate grounds.

Many members in this House have interceded with the minister in this way on behalf of many of their constituents. It is a process that is done on a case by case basis and it is done on merit. In the spirit of transparency, the minister has asked the ethics counsellor to look into the matter.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** Mr. Speaker, the minister's most senior political assistant, her chief of staff, has admitted that political direction came directly from the minister. In a memo, he wrote:

—the Minister has authorized a temporary resident permit for a two-year period to allow her to remain in Canada and make an application for permanent resident from within Canada.

The minister knew what she was doing and who she was doing it for.

How can the minister justify political favours to an exotic dancer, a personal supporter, while promising to fix a broken and unfair system?

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, let us be very clear, all members on both sides of this House know very well—

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

**The Speaker:** Order, please. Obviously there is a hue and cry for clarity, but we have to be able to hear the clear answer that the parliamentary secretary is about to give and we cannot with all this noise.

The parliamentary secretary has the floor. I remind all hon. members of that fact.

**Hon. Hedy Fry:** Mr. Speaker, members on all sides of this House know very well that the Minister of Citizenship and Immigration can issue such a permit on humanitarian and compassionate grounds. Many members, including the hon. member who asked the question, have interceded with the minister on behalf of constituents on these same humanitarian and compassionate grounds.



*Oral Questions*

This is a process. The minister has followed it. In the spirit of transparency, she is asking the ethics counsellor to look into this matter.

**Ms. Helena Guergis (Simcoe—Grey, CPC):** Mr. Speaker, my question is also for the Minister of Citizenship and Immigration.

There is another example of the minister either looking the other way or being completely out to lunch, perhaps with her own pizza delivery man. There are reports that an Indian deportee facing a Canada-wide arrest warrant, on the run from her very department, regularly delivered pizza to and hung out in her election headquarters.

Did the minister alert her department and if not, why not?

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, everyone in the House has been in an election. We know that there are all kinds of people in the campaign office. The minister was certainly not aware of this particular case and she was certainly not aware that this particular person was there. She is very careful about the security of this country. The minister was certainly not aware of this incident.

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, the Minister of Citizenship and Immigration has been caught red-handed.

In addition to the exotic dancer situation, her election team failed to alert immigration officials about a deportee on the run from the department who was delivering pizza and helping out at her election headquarters. Apparently, fresh pizza was more important to the minister than things like integrity or due process. The minister has displayed a complete lack of respect for our immigration system.

Now that she has been caught using the system to hand out political favours, how does she defend her stance as a reformer of the system?

• (1435)

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, in fact, the government has been very clear on its priorities about security for this country. A person who is inadmissible will be deported. The minister was certainly not aware of this incident.

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[Translation]

**MIRABEL AIRPORT**

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, on October 29, the Bloc Québécois questioned the government about whether the facilities at Mirabel would be properly preserved, and about the future of cargo flights from there. The deputy leader of the government promised us an answer from the Minister of Transport the following week, but one has not been forthcoming.

Can the government, which has categorically refused to resell the excess expropriated lands at Mirabel, at least tell us whether or not it will make any formal commitment on properly maintaining the facilities in place and on developing new activities at Mirabel airport?

[English]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, in 1992 the management of Mirabel and P.E. Trudeau airports was transferred to the local group Aéroports de Montréal. This is a not for profit organization. It is responsible for operating, managing and developing the Mirabel and Montreal Pierre Elliott Trudeau international airports.

Under the terms and conditions of the ground lease signed with Transport Canada, it makes business decisions regarding these airports based on principles of accountability and local interests.

[Translation]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, instead of this incompetent behaviour in connection with Mirabel airport, ought not the government to immediately resell the land currently being leased by the farmers of Mirabel, in order to ensure its total redevelopment, produce a plan as soon as possible for the maintenance of Mirabel facilities and make a formal commitment to keep cargo flights at that airport?

[English]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, the management of the airport is mandated to find the best practices to serve the people of the region, the province, and the country, and to look to the future of these facilities, in this case, spread out over the two major cities.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, during the last election campaign, everyone told the government that its employment insurance program did not meet the needs of workers, since 60% of the unemployed are excluded from it. The Prime Minister said this situation would be done away with.

Now that the election is over, will the Prime Minister renew his commitment and tell us when he intends to eliminate the injustices of the current employment insurance program?

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, injustice exists when there are no jobs. This year alone, in Quebec, we have already created 38,000 new jobs. The unemployment rate has also gone down in the province. The Prime Minister is still on track with a solution that involves both job creation and benefits.

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, we are talking about the unemployed here. Not only does the current employment insurance program exclude 60% of contributors, but it is totally useless for seasonal workers, who have to deal with the infamous gap every year.

The government has been looking into the problem of the seasonal workers for years now. What is it waiting for to improve the employment insurance system?

*Oral Questions*

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, perhaps the member is not aware of the changes we made just six months ago. We tried to find a solution for individuals who do not have enough seasonal work. We are also trying to make use of regional business organizations and the benefits program. Nonetheless, it must be noted that the unemployment rate—

**The Speaker:** The hon. member for Medicine Hat.

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[English]

**SPONSORSHIP PROGRAM**

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, in February the government spent \$127,000 on a poll to figure out how to do damage control in the wake of the AG's report. Is it not just a little ironic that one of the criticisms the Auditor General had was that the government broke its own prohibitions on using tax dollars for partisan polling?

How does the Prime Minister feel about this? Is he: A, somewhat mad; B, really mad; or C, mad as hell?

• (1440)

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the survey in question was in fact conducted by Communications Canada. The results of that survey were presented to cabinet and were shared with the public accounts committee in February 2004.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, this was a poll to find out what Canadians thought of the Liberals in the wake of sponsorship. We did not need to spend \$127,000 to find that out. We know the answer; they looked terrible.

Will the government quit wasting money this way or will it have to take a poll first to decide?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, these surveys sought public views on a range of issues including health care, economic issues and environmental issues. We know that the hon. member and his party are not that interested in sustaining a nationwide, publicly paid for health care system. They are not that interested in environmental issues.

However, the fact is that Canadians are interested in these issues. That is why the Government of Canada is very interested in getting this data such that we can build public policy that reflects the views and interests of all Canadians.

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**HEALTH**

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, there is more evidence that the health minister and the Prime Minister are not on the same page.

Last week the health minister told an American audience in Boston that Internet pharmacies in Canada would not be a drugstore for the United States. Later in the week the Prime Minister said that his government had no plans or intentions to shut down Internet pharmacies.

This is a very important issue. Who should Canadians believe, the Prime Minister or the health minister?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, it was very clear. The Harvard University Medical School invited me to speak on the state of health in Canada. I wanted to ensure that I canvassed the issues that were important to both our jurisdictions. One of the issues that has been important for some time is the issue of drug prescriptions.

I said then and I say now, and the Prime Minister agrees with me, that a small country like Canada cannot be a drugstore for the United States of America.

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, perhaps we should have sold the minister to the United States. Goodness knows the candidate his party supported in the presidential election could have used some more votes.

Again, we see the Prime Minister corrected. The first correction was with privatizing the health care system, the next was with opening the hepatitis C fund, and now this.

When will the health minister get his act together and stop delivering contradictory messages to Canadians and Americans alike?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, unlike the opposite side, we support public health care today and we supported it yesterday. We supported the extension of benefits to hep C victims before 1986 and past 1990. We did that yesterday and we will do that tomorrow.

On the issue of drug prescriptions, the safety and supply of drugs for Canadians is of utmost importance and we will protect that at any cost.

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**INFRASTRUCTURE PROGRAM**

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Mr. Speaker, my question is for the Minister of State for Infrastructure and Communities. Could the minister tell the House what actions the government is taking to improve public infrastructure for small urban and rural municipalities in Ontario?

**Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.):** Mr. Speaker, I am delighted to inform the House that today the Governments of Canada and Ontario have announced that they will each invest \$298 million in the Canada-Ontario municipal rural infrastructure fund, with matching funds from recipients that will take the total to \$900 million over five years for public infrastructure in Ontario communities large and small.

We launched the COMRIF program this morning in Peterborough with the member for Peterborough and the minister from FedNor. This is just the beginning of a new deal for cities and communities.

*Oral Questions*

•(1445)

**ELECTORAL REFORM**

**Hon. Ed Broadbent (Ottawa Centre, NDP):** Mr. Speaker, my question is for the Minister responsible for Democratic Reform. In the throne speech, the government committed itself to embarking on a system of electoral reform. This was repeated by the Prime Minister subsequently in the House. Today in the *Globe and Mail* there is the contention that the government has developed a plan for this.

Will the minister assure the House that this plan will be submitted to the relevant committee before Christmas so we will have time to deal with this before the next election?

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages, Minister responsible for Democratic Reform and Associate Minister of National Defence, Lib.):** Mr. Speaker, since taking office this government has demonstrated its commitment to democratic renewal. We have done so again in the Speech from the Throne. However, before we engage in any solutions we must be sure we identify the problems, and that is the process we are engaged in. I have consulted widely with the members of the opposition and with interested parties, and in due course we will come forward with our positions and our suggestions.

**Hon. Ed Broadbent (Ottawa Centre, NDP):** Mr. Speaker, due course is normally the kiss of doom. I hope that is not the case.

Considering that Australia has changed, New Zealand has changed, Scotland has changed, and Wales has changed, will he commit the government to an action plan so that we in this Parliament can make change before the next election?

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages, Minister responsible for Democratic Reform and Associate Minister of National Defence, Lib.):** Mr. Speaker, one of the issues that I suspect we will end up debating is indeed when the next election might be. Not knowing that, I cannot possibly commit to something like that. The government is serious in examining democratic renewal in our institutions, but before we engage in choosing solutions we have to be certain we have identified the problems and what is the root cause of those problems. Before we go off reinventing Parliament, which has stood us in good faith and in good strength, we should be very careful about how we engage in that exercise. We will be careful and we will move forward.

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**ECONOMIC DEVELOPMENT**

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, in 2001 the federal government committed \$80 million to a paper mill at Chandler, Quebec. In making this commitment, the government was in receipt of a consultant's report that painted a dismal picture for this type of plant. This project is now into creditor protection and is the subject matter of a major public inquiry in Quebec.

Why did this Liberal federal government decide to sink millions of dollars into a project that was doomed from the very beginning?

[Translation]

**Hon. Jacques Saada (Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister responsible for the Francophonie, Lib.):** Mr. Speaker, the Government of Canada gets involved in particular in projects where the risks are such that the industry and the private sector do not necessarily want to get involved. It is our mission to support private enterprises and those that will create jobs.

In such cases, if we do not take any risks, we can be sure of one thing: the projects will go nowhere. We have a duty to take risks and, therefore, we do so.

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, during the summer of 2001, in the Gaspésia affair, the experts hired by the minister warned him with alarm. The viability of the project depended on a very low dollar. The demand for that type of paper would be flattening out for quite a while. The process selected represented incalculable technological risks.

Does the minister recognize he has a responsibility to those unsecured creditors who are going to lose tens of millions of dollars because they did not have access to crucial information?

**Hon. Jacques Saada (Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister responsible for the Francophonie, Lib.):** Mr. Speaker, on an issue like this one, we do not act alone. We take coordinated and consistent action with a number of stakeholders: the Government of Quebec, the private sector, and so on.

At the end of the day, since the project did not pan out for reasons that the inquiry is or will be revealing, we will know what went wrong. Also, of course, concerning a recovery plan, we will consider and analyze any positive proposals that come our way.

For the time being, however, I find it pretty twisted to be so adamant about wanting to blame anyone for wanting to help the people in the Gaspé.

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[English]

**ABORIGINAL AFFAIRS**

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, this is a government of empty platitudes and promises when it comes to our country's aboriginal peoples. Three years ago, the Liberals established a program to compensate victims of residential school abuse, but as it turns out, 80% of the \$80 million which has been spent has gone to Liberal waste and mismanagement.

Canadians have now learned that for every \$5 budgeted and spent on victims of residential school abuse, only \$1 reaches those citizens. I call upon the minister to explain this disgraceful—

•(1450)

**The Speaker:** The hon. Deputy Prime Minister.

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** In fact, Mr. Speaker, there is no mismanagement involved here. We in fact have—

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

*Oral Questions*

**The Speaker:** We will have some order. The Deputy Prime Minister has the floor and the member for Calgary Centre-North will want to hear the reply because he has a supplementary to ask.

**Hon. Anne McLellan:** Mr. Speaker, we have put in place a process of ADR, which we hope will avoid some of the problems and emotions surrounding litigation before the courts. This ADR process began last year. We are now processing more cases more quickly than ever before. If the hon. member is suggesting that there were some set-up costs in terms of preparing for the ADR process—

**The Speaker:** The hon. member for Calgary Centre-North.

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, the Liberal legacy is starting to become apparent: promise a lot and deliver very little.

This performance report completed by the minister's department does not talk about operational costs. It talks about the program being fully operational and operated in the most efficient manner possible. It is bizarre that the minister thinks that this is a success. I ask the minister to look into the eyes of the victims of residential school abuse and tell them she is satisfied that 80% of their compensation is going toward bureaucracy.

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** In fact, Mr. Speaker, that is simply untrue. I have indicated, in response to the member's first question, that we have an ADR process. We have now processed, I believe, over 2,000 claims. We are processing more claims all the time.

If the hon. member is suggesting that he is opposed to ADR and the work of Mr. Hughes and others in setting up that process and that we should drag every one of these victims through the courts, then let me reassure the hon. member that everybody on this side of the House disagrees.

\* \* \*

[*Translation*]

**CULTURAL DIVERSITY**

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, UNESCO member countries had until today to state their position concerning a draft convention on cultural diversity. However, the federal government has not yet made public its decision on this project.

Since the deadline is today, has the Canadian government stated its position to UNESCO and, if so, what is that position?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, the position of the Government of Canada should be known in the very near future, that is today or tomorrow.

Indeed, we will state our position to UNESCO officials. This is a first draft. We are also working with the Coalition for Cultural Diversity to ensure that our position reflects that of Canada, of the coalition and of all the provinces.

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, over the past two years, close to \$1.5 million was taken from the francophone envelope of the Canadian television fund and spent on animation series that did not use francophone writers or actors.

Will the Minister of Canadian Heritage, who just promoted cultural diversity, ensure that this diversion of funds is stopped internally and that the money earmarked for French language production is given back?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, the Canadian television fund is a partnership between the public and private sectors. If there have been administrative problems, we will certainly contact officials to find out what is going on.

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[*English*]

**NATIONAL DEFENCE**

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, the decision to allow military housing to deteriorate is not the fault of the current renters. The Canadian Forces Housing Agency says it is broke and cannot afford to address all the health and safety concerns. Why is the government making the rank and file of the military pay for cuts to the defence budget with huge rent increases?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, that is entirely inaccurate. We know very well that many people in our forces choose to live on bases. We have spent considerable money on improving the housing on the bases. We will continue to spend money to improve the housing on the bases. Our priority is the well-being of our armed forces who live on bases, but we have to have a balance between what they pay on the bases and what the immediate concerns in the community are. I am working with the President of the Treasury Board to ensure that this relationship is a fair one to our armed forces.

• (1455)

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, the government transferred rundown base housing to a new agency to avoid the cost of necessary repairs.

Instead of underfunding the Canadian Forces Housing Agency, will the government complete the necessary capital repairs that should have been done before the families are hit with any further huge rent increases?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, as I said, we have spent considerable funds, some \$400 million over the past few years, on housing on the bases, and we are committed to spending \$120 million more in the next three years to renovate, improve and maintain military housing. Nothing is perfect on the bases, but we are working with our armed forces to make sure that the living conditions are correct.

As I said, I am working with the President of the Treasury Board to make sure that rents on the bases are fair in light of the conditions of the housing in which the members live.

*Oral Questions***HEALTH**

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, my question is also for the Minister of Health regarding an issue that was raised earlier, namely, that of Internet pharmacies, but contrary to what was asked, I want to compliment the minister for finally wanting to address this issue. More specifically, what I want to ask him is what specific action he is willing to take, together with his provincial counterparts, to curb prescription drug sales by Internet.

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, I am writing to the provincial counterparts to make sure that the Colleges of Physicians and Surgeons and the pharmacists are dealing with this issue. I believe that the practices being engaged in by some doctors and some pharmacists are absolutely unethical, unprofessional and unacceptable.

I want to make sure that we look at all options and that we continue to monitor the situation. Right now, the safety and the supply of drugs for Canadians are adequately protected.

\* \* \*

**CANADA BORDER SERVICES AGENCY**

**Mr. Jim Abbott (Kootenay—Columbia, CPC):** Mr. Speaker, the untimely and perhaps unnecessary death of Adam Angel, a Canada customs border officer in my constituency, has shone a light on the federal Liberals' systemic starvation of resources to protect our borders. Adam should not have been working alone, but when he ended up in medical distress at 6 a.m., he had no one to turn to while our port ended up wide open to all comers until the next shift reported for work.

Why have the Liberals neglected our border security to the point that our customs officers are in mortal danger?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, far from ignoring our border agency, we have invested billions of dollars in the security of this country, much of which has in fact been dedicated to ensuring that our borders, be they land borders, seaports or airports, ensure the safety and security of Canadians.

The hon. member actually raises an important issue and in fact that is why the government commissioned the job hazardous analysis report around working alone. The CBSA is presently working with the union at the local and national levels on this whole issue. Certainly what we want—

**The Speaker:** The hon. member for Edmonton—Sherwood Park.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Ken Epp (Edmonton—Sherwood Park, CPC):** Mr. Speaker, Mennonites have an honoured reputation for providing relief and working for peace around the world. There have been recent reports of the arrest and conviction of seven Mennonite workers in Vietnam and reports that Canadian officials are watching the case closely.

I think Canada should do more than just watch. Is the government pursuing any formal, direct diplomatic initiatives to try to save these

individuals from imprisonment and torture? If so, what are they? If not, why not?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, Reverend Quang's case was among several cases that were raised by the Canadian ambassador with high-ranking officials from the Vietnamese ministry of foreign affairs and public security in July 2004.

Our Canadian consulate in Ho Chi Minh City requested and has been denied access to Reverend Quang's trial. The Consulate General sent a representative to the courthouse to ask for permission to observe the trial on November 12 in order to highlight Canadian interest, but was denied entry.

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[*Translation*]

**IMMIGRATION**

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, the Minister of Citizenship and Immigration has already said she was not intervening in Immigration Canada matters. Yet, as a result of intervention by her former executive assistant, the minister signed an authorization extending the temporary residency permit and work permit for Liberal supporters working on her election campaign.

How can the minister explain her refusal to intervene in cases where refugees' lives are in danger, when she intervenes for Liberal workers in her riding? This is the criterion the Minister of Citizenship and Immigration uses for intervention: people have to be Liberals.

• (1500)

[*English*]

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, every member of the House knows that humanitarian and compassionate grounds have a clear set of conditions and a clear process. The minister follows this process on every case, including those that come from members on the other side of the House.

Because of the issue and the spirit of transparency, she has asked the ethics counsellor to look at this matter.

\* \* \*

**THE ENVIRONMENT**

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, my question is for the Minister of the Environment.

Last week the Arctic Council released its Arctic Climate Impact Assessment report, which states that the warming of the Arctic is double the earlier projections. The report also states that the warming is a direct cause and effect of the increased concentration of greenhouse gas emissions in the atmosphere.

Could the minister inform the House of the government's collaboration with the Arctic Council and identify all necessary actions Canada needs to take with respect to this profoundly serious environmental problem?

*Routine Proceedings*

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, I will attend a meeting of the Arctic Council next week, just after the release of the most comprehensive study about the dramatic impact climate change has on the Arctic. We need to act with all our partners on the north. I am very confident that all northern nations will work cooperatively to find solutions to the changing climate for now and in the future.

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**INTERNATIONAL AID**

**Mr. Ted Menzies (Macleod, CPC):** Mr. Speaker, last year CIDA sent a measly \$120,000 to the Canada Landmine Fund, but never wanting to turn down a photo op, the government plans to celebrate its mediocrity and send the Governor General, the Minister of Foreign Affairs and CIDA's parliamentary secretary to the Mine-Free World Summit in Nairobi later this month.

Could the Minister of International Cooperation assure Canadian taxpayers that this delegation's trip will cost less than last year's entire budget for the landmine fund?

**Hon. Aileen Carroll (Minister of International Cooperation, Lib.):** Mr. Speaker, I do not have in front of me the actual cost projections for the trip. I assure the hon. member I will look into that and ensure that there is not a disproportionate ratio.

However, Canada's reputation on the landmine convention, known as the Ottawa convention, is one of which we are enormously proud. I am delighted to understand that my colleagues will be attending, as well they should.

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**ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

**Hon. Dominic LeBlanc (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 19 petitions.

\* \* \*

●(1505)

**CANADA NOT-FOR-PROFIT CORPORATIONS ACT**

**Hon. Reg Alcock (for the Minister of Industry)** moved for leave to introduce Bill C-21, an act respecting not-for-profit corporations and other corporations without share capital.

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

\* \* \*

**INCOME TAX ACT**

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.)** moved for leave to introduce Bill C-273, an act to amend the Income Tax Act (deduction for volunteer emergency service).

He said: Mr. Speaker, it is a great pleasure to stand and present this bill. In essence, the bill was presented in the 37th Parliament by

the member for Malpeque. It is an amendment to the Income Tax Act that would recognize the work put forward by volunteer emergency service providers with a tax deduction of \$500 for those with 50 hours of service and \$1,000 for those with 100 hours service, a small gesture for the appreciation that we should show those people who put themselves in harm's way on a regular basis for the safety of others.

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

\* \* \*

**PATENT ACT**

**Mr. Brian Masse (Windsor West, NDP)** moved for leave to introduce Bill C-274, an act to amend the Patent Act.

He said: Mr. Speaker, it is a pleasure to rise today to introduce a bill to amend the Patent Act to protect Canadian consumers and our health care system. It would effectively provide stable ground rules so that generic drugs could enter the market in a reasonable time. It would end a practice that has cost Canadians millions of dollars and has prevented drugs from getting to people who need them, whether they be seniors or sick Canadians.

I am proud to introduce this bill because it will keep our health care system a publicly funded structured.

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

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●(1510)

**CRIMINAL CODE**

**Mr. Richard Harris (Cariboo—Prince George, CPC)** moved for leave to introduce Bill C-275, an act to amend the Criminal Code (failure to stop at scene of accident).

He said: Mr. Speaker, this bill is a result of an incident on January 6, 2003, when 13-year-old Carley Regan lost her life at the hands of a driver who failed to stop his truck after he hit her with the vehicle. The driver received a sentence of 18 months in prison which was reduced to 14 months to time served. He was later released after serving only 10 months of his sentence.

Rarely, if ever, do perpetrators of hit and run causing bodily harm or death receive more than two years in prison, but the families who lost loved ones suffer for the rest of their lives. This is not acceptable to these victims and their families.

Therefore, my bill would eliminate plea bargaining for hit and run charges, it would introduce a minimum sentence and it would equate hit and run causing death to murder and hit and run causing injury to manslaughter.

My colleague, the hon. member for Abbotsford, has been very active on this issue for a number of years and is co-sponsoring this bill.

*Routine Proceedings*

We ask that Parliament would seriously consider supporting victims of hit and run by voting in favour of the bill, which we are calling Carley's law. A message needs to be sent that it is unacceptable to evade responsibilities by failing to stop at the scene of an accident.

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

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**ACCESS TO INFORMATION ACT**

**Mr. Jeremy Harrison (Desnethé—Missinippi—Churchill River, CPC)** moved for leave to introduce Bill C-276, an act to amend the Access to Information Act (Crown corporations and Canadian Wheat Board).

He said: Mr. Speaker, it is my great honour today to rise and introduce a bill which would make all crown corporations and the Canadian Wheat Board subject to the Access to Information Act, a reform I think is long overdue.

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

\* \* \*

[*Translation*]

**THE AUDITOR GENERAL ACT**

**Mr. Benoît Sauvageau (Repentigny, BQ)** moved for leave to introduce Bill C-277, An Act to amend the Auditor General Act (audit of accounts).

He said: Mr. Speaker, it is a pleasure for me to introduce a bill to amend the Auditor General Act. This bill will allow the Auditor General to audit the accounts of the foundations created by the government, particularly those created since 1997, and of the other crown corporations where right now the Auditor General cannot examine the administration of the federal government funds.

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

\* \* \*

[*English*]

**CHINESE CANADIAN RECOGNITION AND REDRESS ACT**

**Ms. Bev Oda (Durham, CPC)** moved for leave to introduce Bill C-333, an act to recognize the injustices done to Chinese immigrants by head taxes and exclusion legislation, to provide for recognition of the extraordinary contribution they made to Canada, to provide for redress and to promote education on Chinese Canadian history and racial harmony.

She said: Mr. Speaker, it is an honour for me to rise today to introduce this bill, the Chinese-Canadian recognition and redress act. I am pleased to join the member for Dauphin—Swan River—Marquette in his efforts to further this important cause.

A historical injustice was done to Chinese immigrants. Head tax and exclusion legislation was a racially based, unfair burden on an entire community. Governments should be held accountable for their actions, both positive and negative.

As a Japanese-Canadian, I remember the efforts of my father and the Japanese community to achieve the Japanese-Canadian redress agreement in the 1980s. I would not be fulfilling my father's legacy

if I did not demand the same redress for the Chinese-Canadian community.

I recognize the significance this bill would have within the Chinese-Canadian community. It would allow Canada to truly move ahead with pride in its declaration as a truly multicultural country.

I ask all members in the House to join me in support of this important bill. I would also seek the unanimous consent of the House to have this bill designated Bill C-333.

**The Speaker:** Is there unanimous consent that the bill be numbered Bill C-333?

**Some hon. members:** Agreed.

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

\* \* \*

● (1515)

[*Translation*]

**EMPLOYMENT INSURANCE ACT**

**Ms. Paule Brunelle (Trois-Rivières, BQ)** moved for leave to introduce C-278, An Act to amend the Employment Insurance Act (improvement of the employment insurance system).

She said: Mr. Speaker, I am pleased to introduce, seconded by my colleague from Chambly—Borduas, Bill C-278, an act to amend the Employment Insurance Act (improvement of the employment insurance system).

Through this bill, I would like to change the law to make it a fair instrument to help all workers faced with the hardships of unemployment. We all know that the present EI plan has reduced access to benefits for an ever greater number of workers.

The reduction in the length of the benefit period and in the rate of benefits has contributed to making low and medium income wage earners poorer. We have to recognize that women and the young are those most affected by the restrictions in the Employment Insurance Act.

The intent behind this bill is to give the term “insurance” its broadest meaning for those who lose their job. I urge all members to support this bill.

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

\* \* \*

[*English*]

**CANADIAN BILL OF RIGHTS**

**Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC)** moved for leave to introduce Bill C-279, an act to amend the Canadian Bill of Rights (protection for property rights).

*Routine Proceedings*

He said: Mr. Speaker, this is an amendment to the Canadian Bill of Rights of 1960, the so-called Diefenbaker bill of rights, which, although it has been supplemented by the Canadian Charter of Rights and Freedoms, has not been supplanted. It remains on our books and remains a piece of legislation that governs and indeed overrides all federal pieces of legislation that do not specifically say that they will override the Bill of Rights.

This legislation is intended to ensure that no person will be deprived of the use or enjoyment of property without full, just and timely compensation.

The example of such restrictions without compensation on property rights are legion, particularly in rural Canada where governments, both federal and provincial, regularly impose restrictions and regulations that result in the de facto loss of all or most of the value of property that may be the only source of wealth or income to people involved with such humble lines of work as being farmers or campground owners. It imposes restrictions as well on community halls. It is in fact a real burden upon rural communities.

Federal examples of this kind of legislation in which restrictions are placed without compensation include the Species at Risk Act, which seeks to impose a noble policy goal, but does so by imposing the costs upon rural landowners. This is unfair and has resulted, along with provincial homologues, in the loss of property by people who are in a number of areas of rural Canada, including my own constituency.

This legislation would prevent this from taking place and would ensure that property rights of rural Canadians, and indeed all Canadians, are properly respected.

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

\* \* \*

[*Translation*]

**EMPLOYMENT INSURANCE ACT**

**Mr. Gérard Asselin (Manicouagan, BQ)** moved for leave to introduce Bill C-280, An Act to amend the Employment Insurance Act (setting premium rate to control surplus in Employment Insurance Account).

He said: Mr. Speaker, I am pleased to table today in this Chamber a bill to amend the current Employment Insurance Act. This bill, of course, is supported by the member for Chambly—Borduas, as well as by all my colleagues of the Bloc Québécois.

The adoption of this bill would result in the creation and management of an independent fund. We know that, with the new reform of the Employment Insurance fund implemented in 1996, seasonal workers in the ridings of Charlevoix and Manicouagan, have an increasingly difficult time qualifying for employment insurance. People have fewer and fewer weeks.

In the meantime, the federal government has been raking in surpluses. According to figures from the Auditor General, the federal government has amassed \$45 billion.

This bill will have the fund administered by those who contribute to it, in other words, employers and employees, by setting the levels

of premiums, ensuring sound management of the scheme and reporting to the Chamber.

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

\* \* \*

● (1520)

[*English*]

**BANKRUPTCY AND INSOLVENCY ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-281, an act to amend the Bankruptcy and Insolvency Act, the Canada Business Corporations Act, the Employment Insurance Act and the Employment Insurance Regulations.

He said: Mr. Speaker, my colleague, the member for Hamilton Centre, and I are proud to introduce legislation today that would provide, in the event of a bankruptcy, that any back wages, benefits or pension contributions owing to employees would rank first in priority when distributing the assets of the bankrupt company, not at the bottom of the list as is currently the case. The bill puts workers first in the event of a bankruptcy.

It is also necessary to make consequential amendments to the EI Act so that benefits from the distribution of the assets of the bankruptcy are not clawed back as income from EI benefits.

The third element of the bill expedites the process by which employees can seek redress from the directors of the company should there not be enough remaining assets to distribute to make up the back wages, benefits or pension contributions.

It is an important bill. There are 10,000 bankruptcies a year. This is on behalf of Canadians and putting workers first in the House of Commons.

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

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**FOOD AND DRUGS ACT**

**Mr. Wajid Khan (Mississauga—Streetsville, Lib.)** moved for leave to introduce Bill C-282, an act to amend the Food and Drugs Act (export permits).

He said: Mr. Speaker, people are worried that pharmaceuticals intended for the Canadian market and Canadian consumers are heading back across the border to the U.S.A.

Our primary concern must be Canada's drug supply. Consequently, the bill calls for an amendment to the Food and Drugs Act so that a permit would be required for the export or sale of exported drugs set out in schedule F of the act.

The purpose of the bill is to ensure that the Canadian supply of pharmaceuticals is secure.



*Routine Proceedings*

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

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**IMMIGRATION AND REFUGEE PROTECTION ACT**

**Mr. Gurmant Grewal (Newton—North Delta, CPC)** moved for leave to introduce Bill C-283, an act to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations.

He said: Mr. Speaker, I am pleased to introduce a bill that would amend the Immigration and Refugee Protection Act and its regulations.

The bill would allow a Canadian citizen or a landed immigrant to provide an enforceable guarantee or post a bond while sponsoring a visitor. Sponsorship will provide stronger evidence of their intention to return home before their visas expire. A Canadian sponsor guarantees that the visitor will abide by the conditions of his or her visa and will return home before the visa expires.

Canada must have an efficient and effective visa system that is able to handle temporary visitors. My bill would minimize minister's permits and other political interference in the system and, in doing so, it would increase access and enhance fairness.

I would like to thank the opposition House leader, the member for West Vancouver—Sunshine Coast—Sea to Sky Country for seconding the bill.

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

\* \* \*

• (1525)

**DRUG SUPPLY ACT**

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP)** moved for leave to introduce Bill C-284, an act to ensure the necessary supply of patented drugs to deal with domestic emergencies.

He said: Mr. Speaker, as the NDP usually does, we have united a country on the bill. I am proud to say that my colleague from Nanaimo—Cowichan probably supports the initiative.

In this scary age in which we live we are asking that the federal government ensures there is an ample supply of patented drugs on hand to meet the possible catastrophic needs of all Canadians.

Be it the flu vaccine, the avian flu, smallpox or whatever, Canadians need to be assured that there is an ample supply of drugs to meet their needs in the event of a serious emergency in this country.

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

\* \* \*

**INCOME TAX ACT**

**Mr. John Reynolds (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC):** Mr. Speaker, there have been consultations and I think if you would seek it you would find unanimous consent for the following motion. I move:

That the bill entitled an act to amend the Income Tax Act (exclusion of income received by an athlete from a non-profit club, society or association), listed on the notice paper in the name of the member for Cypress Hills—Grasslands, be deemed

introduced by the member for Cypress Hills—Grasslands and seconded by the member for Prince Albert.

**The Speaker:** Is it agreed that the motion for leave to introduce the bill be deemed moved and seconded as indicated by the hon. member?

**Some hon. members:** Agreed.

**The Speaker:** Is it agreed also that the bill be then deemed moved and seconded to be read for the first time and be printed?

**Some hon. members:** Agreed.

(Motion agreed to, bill read the first time and printed)

\* \* \*

**CITIZENSHIP ACT**

**Mr. John Reynolds (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC)** moved for leave to introduce Bill S-2, an act to amend the Citizenship Act.

(Motion agreed to and bill read the first time)

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**COMMITTEES OF THE HOUSE**

## PUBLIC ACCOUNTS

**Mr. John Williams (Edmonton—St. Albert, CPC):** Mr. Speaker, there have been discussions among all parties and I believe you would find unanimous agreement that the third report of the Standing Committee on Public Accounts presented to the House on Friday, November 5 be concurred in without debate.

(Motion agreed to)

\* \* \*

**PETITIONS**

## CANADIAN FORCES HOUSING AGENCY

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, it is an honour for me, on this first day back after Remembrance Day, to present a petition to the House of Commons on behalf of the citizens of Acton, Bolton, Brampton, Erin, Guelph and Hillsburgh, Ontario.

The petitioners draw to the attention of the House of Commons that the Canadian Forces Housing Agency on base serves a valuable purpose by allowing families to live in a military community but that in many cases the housing is substandard to acceptable living conditions, and further, that the Canadian Forces Housing Agency has imposed dramatic rent increases as recently as this month on the rental units.

Therefore the petitioners call upon Parliament to immediately suspend any future rent increases for accommodation provided by the Canadian Forces Housing Agency until such time as the Government of Canada makes substantive improvements to the living conditions of the housing that it provides for our military families.

*Government Orders*

• (1530)

WHISTLEBLOWER LEGISLATION

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, it is an honour today to rise in the House to introduce a widely supported petition on the subject of whistleblower protection in the public service.

Being an Ottawa area MP, I, of course, have thousands of constituents who work in the public service and have been denied this kind of protection by the government for many years.

The petition calls for the government to finally pass meaningful whistleblower legislation that will protect those who expose scandal and waste such as the kind we saw with the sponsorship scandal, the gun registry, HRDC and the list goes on.

The residents of Canada call upon the Prime Minister to enact legislation that will protect employees of the public service who have either voiced concerns or made allegations of wrongful acts or omissions in the workplace.

\* \* \*

[Translation]

QUESTIONS ON THE ORDER PAPER

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):**

Mr. Speaker, Question No. 1 will be answered today. I know the member for New Brunswick Southwest will be very happy about that.

[Text]

Question No. 1—**Mr. Greg Thompson:**

With regard to the Department of Fisheries and Oceans' fisheries licence buyout program in the Fundy region: (a) what is the total number of licences purchased for aboriginal communities; (b) what is the total dollar figure spent on this program from the departmental budget; (c) does this program include funding from the Department of Indian and Northern Affairs; (d) have any studies been carried out to measure the impact of this program on aboriginal communities and, if so, what were the results; (e) have any studies been carried out to measure the impact of this program on non-aboriginal communities and, if so, what were the results; (f) what is the total dollar figure for commissions paid to consultants for facilitating this program; (g) has the department established any specific time lines for the duration of this program; and (h) has the department anticipated the total cost associated with this program?

**Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.):**

Regarding Fisheries and Oceans Canada's DFO, fisheries licence retirement program under the Marshall response initiative, MRI, for the 12 first nations which fish in the Bay of Fundy and which we consider to be within the area described by the hon. member for New Brunswick Southwest as the Fundy region, they are: Tobique, Woodstock, Kingsclear, Saint Mary's, Oromocto, and Fort Folly in New Brunswick; Acadia, Annapolis Valley, Bear River, Glooscap, Shubenacadie, and Millbrook in Nova Scotia. In response to (a), the total number of licences for all species retired and allocated to first nations communities under the MRI is 61. Under the allocation transfer program, ATP, of the aboriginal fisheries strategy, AFS, 40 Bay of Fundy licences have been retired and issued to the 12 aforementioned aboriginal groups, the Native Council of Nova Scotia and the New Brunswick Aboriginal Peoples Council. In response to (b), \$20.8 million was spent on the licence retirement portion of the MRI and \$2.192 million under ATP since 1994. In

response to (c), Indian and Northern Affairs Canada did not participate in the licence retirement program. In response to (d), "The Commercial Fishery in Selected Native Communities: Taking Stock" was prepared by Mr. Donald Savoie, a consultant who was contracted by DFO. Mr. Savoie visited nine selected Mi'kmaq and Maliseet communities to assess the progress that first nation communities have made in the commercial fishery in the context of the MRI. The report indicates that significant progress has been made by the first nations over the past few years, but there is still a long way to go to reach the full potential in the commercial fishery. In response to (e), at this time no studies have been carried out to measure the impact on the non-aboriginal communities. In response to (f), the overall cost for consultants to facilitate the delivery of the MRI is \$2 million. This includes the costs for three federal fisheries negotiators and other consultants hired to facilitate the implementation of the MRI. In response to (g), the department has established a specific timeline for the delivery and duration of the MRI. The department's authority to negotiate fisheries agreements under the MRI ended March 31, 2004. Furthermore, DFO has until March 31, 2006 to meet its commitments. The ATP of the AFS program is ongoing. In response to (h), the anticipated total cost for the retirement of licences for the Fundy region longer term MRI is \$50.9 million.

\* \* \*

[Translation]

QUESTIONS PASSED AS ORDERS FOR RETURNS

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):**

Mr. Speaker, if Question No. 8 could be made an order for a return, the return would be tabled immediately.

**The Acting Speaker (Mr. Marcel Proulx):** Is that agreed?

**Some hon. members:** Agreed.

[Text]

Question No. 8—**Mr. Odina Desrochers:**

What projects have been funded by the Canada Fund for Africa (CFA) since its creation in 2002, and for each of these projects what is: (a) the name of the project's promoter(s); (b) the amount of funding awarded; (c) the date the funding was awarded; and (d) the project's objectives?

(Return tabled)

[Translation]

**Hon. Dominic LeBlanc:** Mr. Speaker, I ask that all remaining questions be allowed to stand.

**The Acting Speaker (Mr. Marcel Proulx):** Is that agreed?

**Some hon. members:** Agreed.

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GOVERNMENT ORDERS

[English]

CRIMINAL CODE

The House resumed consideration of the motion.

*Government Orders*

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, this is indeed a bill that needs serious consideration. We must recognize the seriousness of the problem. Drug users are disproportionately involved in fatal accidents. A study in Quebec determined that more than 30% of fatal accidents in that province involved drugs or a combination of drugs and alcohol.

A Traffic Injury Research Foundation poll in 2001 found that close to 20% of Canadian drivers had driven within two hours of taking a potentially impairing drug: over the counter, prescription or illegal. The Ontario Student Drug Use Survey in 2003 found that close to 20% of high school drivers in the province reported driving within one hour of using cannabis at least once in the preceding year.

We must ensure the enforcement of current laws. Driving while impaired by alcohol or a drug is currently a criminal offence and can result in severe penalties including a maximum penalty of life imprisonment if it causes the death of another person.

Under paragraph 253(a) of the Criminal Code, it is an offence for anyone to operate a motor vehicle, vessel, aircraft or railway equipment while his or her ability to operate it is impaired by alcohol or a drug. For paragraph 253(a) drug impaired driving investigations, officers usually rely upon symptoms of impairment, driving behaviour and witness testimony.

Currently, there is no authority in the Criminal Code for police to demand physical sobriety tests or bodily fluid samples for paragraph 253(a) impaired driving investigations. However, if a driver voluntarily participates in physical sobriety tests, the evidence is admissible in court.

There is no legal limit offence for drugs as there is in paragraph 253(b) of the Criminal Code for alcohol. Unlike alcohol, for the vast majority of drugs, there is no scientific consensus on the threshold of drug concentration levels in the body that causes impairment and makes driving hazardous. Technology to detect drug concentration at roadside is neither an available nor effective option.

In my riding of Scarborough—Agincourt we have an epidemic of grow house operations. We had three houses that were recently busted by the police. Certainly cannabis and the use of cannabis is something that is of importance to me. Ensuring that we have on the books regulations that will allow the police to do their work is something that is of great importance to the people of Canada.

How do we go about reforming our current laws? The proposed reforms would improve investigations of Criminal Code drug impaired driving offences by authorizing police to demand: first, standardized field sobriety tests, SFST, where there is a reasonable suspicion that a driver has a drug in the body. SFSTs are divided attention tests that evaluate a subject's ability to multitask. They are administered at the roadside.

Second, drug recognition expert, DRE, evaluations where the officer reasonably believes that a drug impaired driving offence was committed. This includes a situation where a driver fails the SFST. These are administered at the police station. Third, a sample of a bodily substance, blood, urine, or oral fluid, should the DRE officer identify that impairment is caused by a specific family of drugs.

Refusal or failure to comply with any of these demands by police would be a criminal offence, punishable by the same Criminal Code penalties as refusing a demand for a breath test for alcohol. A minimum of a \$600 fine would apply for a first offence.

It is very important that we understand that the value of proven technologies to detect such drugs is something that we need to examine.

DRE evaluations were first developed by the Los Angeles Police Department and standardized by the National Highway Traffic Safety Administration in the United States in the early 1980s. They are used in most U.S. states, Australia, New Zealand and in some European countries.

Their reliability is documented in studies by John Hopkins University, which determined that DRE trained officers were over 90% accurate in determining impairment and the type of drug that caused impairment.

Canada began using DRE evaluations in 1995. Police in B.C., Alberta, Manitoba, Ontario, Quebec and Nova Scotia use them but can only currently do so when the suspect voluntarily participates.

• (1535)

Besides helping to keep drug impaired drivers off the nation's roadways, DRE evaluations can also rule out drug impairment in drivers who have a medical condition and steer these people toward appropriate medical attention. Drug recognition experts can assist in other situations too, such as when dealing with intoxicated prisoners and assessing whether they require emergency medical services.

How do we go about helping the police use drug impairment tests? To successfully implement these proposed legislative reforms and enhance the overall capacity of police to address drug impairment in Canada, \$6.49 million in new funding over three years will be used to train DRE officers and instructors nationwide through a train the trainers approach.

An additional \$500,000 for research and evaluation will help ensure all levels of government better understand the nature and scope of the drug impaired driving problem in Canada. This work will involve evaluating the process and the effectiveness of the DRE program in the law enforcement community.

*Government Orders*

These investments build on \$5 million in initial funding provided through Canada's renewed drug strategy, \$910,000, and reallocated from within the RCMP, another \$4.1 million. As a result, \$11.9 million in total funding will have been provided by the Government of Canada to address drug impaired driving.

By 2007-08 Canada will have an estimated 3,522 officers trained in standardized field sobriety tests, 394 DRE trained officers, and 175 DRE instructors. This level of expertise will then allow ongoing training as needed as part of regular police operations.

The measures announced today deliver on the government's commitment to address drug impaired driving while reforms to modernize Canada's cannabis laws are also being proposed. This legislation will however enhance investigations of driving while impaired by any drug, over the counter, prescription or illegal, not just cannabis.

The proposed legislative reforms respond to parliamentary committees that recommended consideration of ways to strengthen the laws regarding investigation of drug impaired driving. These include: the House of Commons Special Committee on the Non-Medical Use of Drugs that studied Bill C-38, cannabis reform, in the fall of 2003; the Senate Special Committee on Illegal Drugs of 2002, and the 1999 Standing Committee on Justice and Human Rights.

It is important that we move very quickly to reform legislation that we have already in place. Indeed, in some areas we have grow operations that are rampant and have gone out of control. However, if there is a wish for people to have marijuana, then the suppliers will continue doing this. If we are able to deter people from driving under the influence of cannabis, and if this legislation is in place, it will certainly curtail accidents, save lives on the highway, and give the police the tools they need, as well as the funding, to ensure that we have safer highways and safer streets.

● (1540)

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** Mr. Speaker, I am pleased to rise in the House to support Bill C-16. Although there are some aspects of it that concern me and to which I will refer, on the whole it is a bill that is long overdue.

Probably all of us have been affected either directly or indirectly by impaired driving. I would like to think that no hon. members who serve in the House have done it, but I am not naive enough to think that is true. I would like to hope that none of us have taken that dreaded phone call that tells us a family member or a friend or the child of a friend has had his or her life cut short because of a driver impaired by alcohol or drugs. I am not unrealistic enough to think that is true either.

A Quebec study found that more than 30% of fatal accidents in that province involved drugs or a combination of drugs and alcohol. I have no reason to think that it is any different in my province.

Every day innocent lives are lost. I was reminded of that almost daily when I drove to my office in Mission and saw a roadside memorial to a vibrant, gifted young lady of 18 who was the victim of an impaired driver. Her twin sister, her family and our whole community have changed and will never be quite the same.

As legislators do we not have a moral obligation to do all that we can to address this scourge that is the leading cause of death of our young people? Sadly it is a problem that is not going away.

A study by the Traffic Injury Research Foundation found that in the previous year nearly 20% of Canadian drivers admitted to having driven a vehicle within two hours of using a potentially impairing drug. We are not talking just about illegal drugs, but other drugs as well. Prescription drugs and even over the counter drugs can impair one's ability to drive safely.

The Ontario student drug use survey conducted in 2003 found that about 20% of students reported having driven within one hour of having used marijuana at least once in the previous year. No, the problem is not going away.

Bill C-16 would provide us with one more opportunity to remind Canadians of the lethal danger of impaired driving. The bill is not about making drug impaired driving a criminal offence. It already is. In fact, the Criminal Code provides for severe maximum penalties, even life imprisonment if it causes the death of another person.

The problem with our current law lies in obtaining proof that the individual is under the influence of drugs. Until now, law enforcement officers could only offer descriptions of driving behaviour, or hope to find a witness willing to testify. A driver could only be tested for impairment if he or she volunteered for testing. The honour system is not working. Bill C-16 would allow officers to do an evaluation of an individual and if necessary, demand a sample of bodily fluids such as blood, saliva or urine.

Briefly, this is how it appears the process would work when the measures proposed by Bill C-16 are fully implemented. There would be three methods of evaluating a suspected impaired driver. The first, called standardized field sobriety tests, is done at the roadside and consists of such tasks as standing on one leg, or walking in a straight line, or other multi-tasking challenges, hardly a scientific method.

If the individual fails these simple coordination tests, leading the officer to reasonably assume that an offence has been committed, step two follows at the police station. This step is called drug recognition expert evaluation. It consists of, among other things, a physical examination in which a trained officer looks at the individual's pupils, checks vital signs and searches for injection sites. If after this evaluation of 45 minutes or so the officer still has reason to believe the individual is under the influence of a specific drug, only then will the third most scientific method be used when a sample of a bodily substance will be taken and tested.

*Government Orders*

I have to admit that this sounds pretty good on paper, but will it work? It behooves us to ask if we can foresee any obstacles or problems with this new testing protocol. Let me ask some questions.

First of all, do we have enough trained officers to do the tests? Actually, we have had some officers trained to do these evaluations for almost 10 years but they have not been busy because the law allows them to test only those who volunteer to be tested. Not many have volunteered. The answer is we do not have enough now but the plan is by 2008 or so to have about 3,500 who could do the roadside test and another 400 to 500 who could do the recognition test at the station. Will that be enough? The Senate special committee on illegal drugs found that 5% to 12% of people have driven under the influence of cannabis, so the chances are that it will not be enough.

•(1545)

Second, can these tests be carried out in a timely manner? I am thinking that the short answer is no. From the roadside to the station and then to the sample testing will take a significant length of time, and the longer it takes, the less likely it is that the presence of drugs can be accurately detected.

Third, will these tests be considered reliable enough as the basis for a charge and subsequent conviction? One would expect the bodily sample tests to be the most reliable, but are they? A 2002 report from the Senate Special Committee on Illegal Drugs looked at the effectiveness of blood, urine, saliva, hair and even perspiration testing for marijuana use. The general conclusion was that they all fell short of giving any clear answers. The only thing that seems to be clear is that their reliability is questionable at best.

For example, blood testing for traces of marijuana would be most effective if done within 10 minutes of smoking. After one hour, concentrations of THC in the blood are down to 5% to 10%, and after two hours it becomes difficult to detect at all.

What about the urine test as another possibility? The unfortunate truth appears to be that the results of urine tests for marijuana are even less promising. Traces of marijuana can remain in urine for weeks and it is very difficult to determine whether marijuana has contributed to the apparent impaired driving.

Perhaps the most prominent method of drug testing is with saliva. The THC remains detectable in saliva for an average of four to six hours and saliva testing is more reliable than blood or urine testing. Again the problem is that there is no technology available to do this test roadside.

Fourth, is there a way to determine thresholds for drug impairment? Is there something equivalent to the .08 for alcohol? Unfortunately it appears that the jury is still out, pardon the pun, on the question of what concentration of a drug in one's system is considered impairing. Until some of these issues are resolved, and we need to make a commitment to do so, we should not be surprised if law enforcement officers continue to be frustrated and if defence lawyers make a lot of money demonstrating why their clients' test results cannot be trusted.

Fifth, before concluding, let me make one final more general point that was actually made by my constituents. During the off week I held a town hall meeting in which I reviewed most of the legislation now before the House. I also had a meeting with one of the school

boards where we talked about the government's so-called drug strategy. In both meetings we talked about Bill C-16 and Bill C-17.

I know it must seem completely logical to the government on the one hand to decriminalize what it calls small amounts of marijuana, and on the other hand to attempt to crack down on drug impaired driving, but my constituents could not see the logic. "Is this not sending a mixed message?" they asked. "Is the government against drugs or not?" "Will decriminalizing marijuana not mean that more young people will use it?" "And will some of them not drive?" Those are some very good questions.

My constituents are very concerned about the ever increasing drug use in our communities. Recently a wide cross-section of citizens have come together to establish task forces to fight the growing problem of crystal meth. Marijuana grow ops are also rampant in our communities. Drugs are hurting us and we are struggling to fight back.

I support this bill because I hope it will help to raise awareness and reinforce the message that drugs are not acceptable and impaired driving will not be tolerated. We cannot legislate good behaviour so some people will choose to do drugs and some of them will choose to drive. But we can do our best to encourage one another to make smart choices, and doing drugs and driving while impaired are two dumb choices.

•(1550)

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, I am pleased to rise today on behalf of my constituents of Fleetwood—Port Kells to speak to Bill C-16, the drug driving bill.

As some in the House may know, my community of Surrey is currently overrun with marijuana grow ops. Organized crime has moved in and is operating in my constituency. That is why this legislation is of such critical importance to my constituents. The key points of this legislation are as follows.

One, drivers suspected of being under the influence of a drug will by law have to submit to a roadside assessment test administered by a police officer. Two, if drug impairment is suspected, the individual must be detained at a police station and submit to another drug impairment assessment and a sample of bodily fluids may be taken for testing. Three, the penalties for failing to submit to testing for drug impairment would be equivalent to the penalties currently in place for failing to submit to an alcohol breathalyzer test.

*Government Orders*

We all know of the wonderful work done by advocacy groups, such as Mothers Against Drunk Driving, on the subject of driving while impaired by alcohol. This has helped to bring into focus the terrible damage done to society by alcohol impaired driving that happens every day across Canada.

Over the past few decades, drunk driving has gone from a socially unacceptable but tolerated norm to a cause for shame and serious penalties from our justice system. Our police conduct spot checks. There are radio and TV campaigns urging people not to drink and drive. There are rules for advertising alcoholic beverages. There are courses taught in schools. There are role models. There is peer pressure.

Alcohol impaired driving, while certainly still a significant and very important issue, does not suffer from lack of attention. The same is not true for driving while impaired by a drug other than alcohol. While groups such as MADD do work in this area, there remains much to be done.

There is, for example, no scientific consensus on the threshold drug concentration level in the body for drug impaired driving as there is for alcohol. Length of time of use, tolerance, metabolism, height, weight, body fat, et cetera, all may have an effect on whether a drug might be impairing a driver's ability to safely operate a motor vehicle.

It gets even more complicated because we are dealing with so many different kinds of drugs. With alcohol, the comparison is the same wherever one is and whatever the drink. Alcohol is alcohol, whether it comes from beer, wine or spirits. Drugs, on the other hand, come in all shapes and strengths, which makes setting a threshold standard for actual impairment much more difficult. Different drugs have different effects.

Fortunately a good deal of work has been done by law enforcement officials on these and other issues surrounding the detection of the drug impaired driver. It is not a stretch to suggest that the biggest form of impairment our law enforcement officials find on the road, outside of alcohol, is cannabis.

We do not have the vast studies and statistics for drug driving that we do for the alcohol impaired, but what we do know is that people driving under the influence of drugs are just as dangerous and just as potentially deadly as those who are impaired by alcohol.

I single out cannabis not only because it is the most prevalent drug in use on our roads, especially in my riding, but also because the government has introduced Bill C-16 as a companion bill to Bill C-17, the legislation decriminalizing small amounts of cannabis.

One of the chief complaints when the government last tried to introduce legislation regarding the decriminalization of small amounts of marijuana was that nothing was being done about drug impaired driving. Mothers Against Drunk Driving and the Canadian Professional Police Association in particular at the time noted the bill contained no measures to increase police powers to combat drug impaired drivers.

Despite the government's attempt to rectify past mistakes, there are still a few problems with this bill. One of the main concerns I have with this legislation is that it is putting the cart before the horse.

●(1555)

Bill C-17 seeks to decriminalize small amounts of cannabis, and that would lead, by any reasonable conclusion, to an increase in cannabis-impaired users on our roadways. But Bill C-16 does not foresee the completion of training for law enforcement in the techniques to conduct field testing for drug impairment until 2008, so we unleash more cannabis-impaired drivers on our roads with Bill C-17 without giving our law enforcement personnel the proper training to enforce this new law immediately.

The bill authorizes police to demand a standardized field sobriety test when they suspect an individual is driving while impaired by drugs. It also allows for a sample of bodily fluids to be taken at a police station if impairment is suspected. This is simply allowing the police to make the same demands of someone suspected of drug-impaired driving that they make of someone who is suspected of alcohol-impaired driving.

Refusal to submit to this testing would become a criminal offence, punishable by the same penalties currently in place for failure to submit to an alcohol breathalyzer test.

My colleagues and I support any legislation that improves police officers' ability to detect drug impairment and detain suspected drug-impaired drivers for testing. As I noted earlier, however, we are concerned that this legislation does not train enough police officers in detection methods before 2007 or 2008, long after the Liberal government intends to decriminalize marijuana.

A key component of any anti-drug-driving initiative must include significant funding for research into new technologies that would assist officers in detecting drug-impaired drivers on site, such as currently exists for alcohol. I would encourage the government to earmark such funding and work with the provinces to help develop these new technologies to make catching and prosecuting drug-impaired drivers easier.

The cannabis epidemic is sweeping my constituency and the entire lower mainland of B.C. and now we have the government about to decriminalize small amounts for personal use.

If members will pardon the pun, it is high time the government brought in legislation of this nature giving our law enforcement officials the tools they need to fight drug-impaired driving.

*Government Orders*

•(1600)

**Mr. Gurmant Grewal (Newton—North Delta, CPC):** Mr. Speaker, I am pleased to rise on behalf of the constituents of Newton—North Delta to keep the ball rolling in the debate on Bill C-16, which amends the Criminal Code and makes consequential amendments to other acts to deal with drug-impaired driving. The bill authorizes trained police officers to test whether a person is impaired by drugs or alcohol and drugs in combination. It also authorizes the taking of samples of bodily fluids to test for the presence of drugs or drugs and alcohol.

Let us look at the background of this bill. Currently the Criminal Code criminalizes alcohol- or drug-impaired driving and imposes greater punishments on repeat offenders. Under section 253 one cannot operate or assist in operating a motor vehicle if impaired by alcohol or a drug. Anyone who commits an offence under section 253 is guilty of an indictable offence or an offence punishable on summary conviction.

While drug-impaired driving is illegal, there is no “legal limit” offence for drugs. The police may not demand physical sobriety tests or bodily fluid samples for drug-impaired driving investigations. The police usually rely upon symptoms of impairment, driving behaviour and witness testimony. As a result, convictions for drug-impaired driving are very rare.

Under Bill C-16, a three-step protocol is given, allowing police to intervene if they believe someone is driving while drug impaired. Clause 2 of the bill would allow police to demand standardized field sobriety tests where there is a reasonable suspicion that a driver has a drug in his or her body. These are physical coordination tasks administered roadside which measure whether a driver can multi-task. It would also allow police to demand drug recognition expert evaluations where the officer reasonably believes that a driver committed a drug-impaired driving offence. These are administered at the police station by a trained evaluation officer. Last, clause 2 would allow police to demand a sample of a bodily substance if the evaluating officer identifies that the impairment is from a specific type of drug.

Under Bill C-16 the result of an evaluation by an evaluating officer may be admitted as evidence in a criminal proceeding involving driving under the influence of an illegal psychoactive substance. Research indicates that 5% to 12% of drivers may now drive under the influence of cannabis and that this may increase to as much as 20% for male drivers under 25 years of age in British Columbia.

An examination of blood samples, driver records and crash records of 227 fatally injured drivers in B.C. showed that 11% involved alcohol and drugs and 9% involved drugs only. The most frequently found drug was, as members can guess, THC, the main psychoactive ingredient in cannabis. The Vancouver police have concluded that the involvement of drugs in driving is a significant factor adversely affecting highway safety and consequently should be of major concern to all Canadians.

A criminal case wrapped up last month in Surrey involving a youth who crashed his Ford Mustang into a rock fence in the 6,200 block of 264th Street, killing two of his passengers, both 16 years old, and seriously injuring a third one. According to a toxicologist,

the young man had 144 micrograms of THC per litre of his blood. A level of 35 micrograms would affect a driver's ability to operate a motor vehicle; his level was more than four times that.

However, despite the evidence, the Crown was unable to obtain a conviction for driving while impaired by marijuana. It was simply too difficult under the current law. It is shameful for the lawmakers in the House.

The youth still has his driving licence and the parents of the deceased must watch this young man drive past their homes knowing that he was responsible for taking the lives of their sons. It is a pity.

•(1605)

The government has chosen to decriminalize marijuana without first ensuring that the necessary training, the tools and the ability to prosecute people for drug-impaired offences are in place. This legislation comes as an afterthought to the government. It is a delayed response to the intense criticism levelled against it by my party and other groups.

But even with Bill C-16, the training of law enforcement officers in the techniques to conduct field testing will not be complete until as late as 2008. The Liberal government of course intends to decriminalize marijuana long before that. Officers should be trained before the government proceeds with decriminalization.

According to data provided by the Senate Special Committee on Illegal Drugs, only 0.8% of marijuana users are charged with possession. That is less than 1%. Based on those numbers, there seems to be little excuse for rushing into decriminalization before the police are ready to deal with it.

As well, of the \$11.9 million in funding being spent to address drug-impaired driving, some funding should be allocated for research into new technologies that would assess drug impairment on site, such as those that currently exist for detecting the presence of alcohol in blood.

In October 1995, ICBC sponsored the training of approximately 30 police officers in the field of drug recognition. This was the first course of its kind to be held in Canada. The intent of the drug recognition expert or DRE program was to give police officers the skills to detect and prosecute drug-impaired drivers. ICBC saw a need for this program because B.C. studies indicated that impairment due to drugs was involved in 15% to 20% of all driver fatalities.

*Government Orders*

So far the program has been extremely successful. Hundreds of 24 hour driving prohibitions have been issued to drivers affected by drugs. Several criminal court charges for driving while impaired by drugs have also been approved, resulting in court convictions. Since 1995, 15 of the original DREs have become DRE instructors. In March 1998 another DRE course was held in B.C., bringing the total number of DREs to over 50.

The government appears determined to proceed with loosening the laws concerning the use of marijuana. Decriminalization of marijuana, especially without an effective national drug strategy in place, will undoubtedly result in increased use, especially among young people.

The Conservative Party supports legislation that improves police officers' ability to detect drug impairment and detain suspected drug-impaired drivers for testing. We are concerned, however, that Bill C-16 would not train enough police officers in detection methods soon enough. As it stands now, sufficient officers will be trained only by 2007 or 2008, long after the Liberal government intends to decriminalize marijuana. That is not effective legislation.

Officers should be trained before decriminalization, not after. If we decriminalize the use of marijuana and then start training police officers, what is going to happen on the streets? There will be more accidents, more deaths and more innocent lives lost. That is not acceptable.

The Liberals are putting the cart before the horse. They have failed to recognize the need to lay the groundwork before proceeding with the decriminalization of marijuana. They have not even studied the consequences of decriminalizing marijuana to the extent of the quantity they have allowed. The Liberals are in the process of risking increased marijuana usage and opening up the possibility of an increase in deaths on our highways. Canadians expect better from the government.

• (1610)

**The Acting Speaker (Mr. Marcel Proulx):** It is my duty to interrupt the proceedings at this time and put forthwith the question on the motion now before the House. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Marcel Proulx):** I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

(Motion agreed to and bill referred to a committee)

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**TELEFILM CANADA ACT**

(Bill C-18. On the Order: Government Orders:)

November 1, 2004—The Minister of Canadian Heritage—Second reading and reference to the Standing Committee on Canadian Heritage of Bill C-18, an act to amend the Telefilm Canada Act and another act.

**Hon. Bill Graham (for the Minister of Canadian Heritage and Minister responsible for Status of Women)** moved:

That Bill C-18, an act to amend the Telefilm Canada Act and another act, be referred forthwith to the Standing Committee on Canadian Heritage.

**Hon. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Mr. Speaker, I am extremely pleased to speak to Bill C-18 which contains amendments to the Telefilm Canada Act.

It will come as no surprise to you, Mr. Speaker, that the Government of Canada is committed to Canadian culture and I am personally committed to Canadian culture. Most of my political career has been spent in advocating on behalf of and for the arts and cultural sector.

In fact, in my private sector life, and even today, I have been and am a subscriber, donor and an art supporter to many of the cultural institutions in the city of Toronto and indeed, also in Ontario.

I have had the privilege to serve on the board of directors, and later as chairman, of CanStage, the largest not for profit theatre company in Canada which performs throughout the year. In addition to that, CanStage produces *Dream In High Park*, Shakespeare in the park, annually every summer and opens it up to everyone.

During my private sector life I have also served as a member of the Canada Council's taskforce on income tax reform and I was also a director of the Arts and Business Council which promotes private sector giving for the arts. I also had the pleasure of serving on the organizing committee for the annual meeting of the Professional Association of Canadian Theatres, PACT.

In the 20 years that I practised law in the city of Toronto, my husband used to tease me that I only practised law to feed my hobby and my passion for the arts.

I, too, feel very privileged, as the Parliamentary Secretary to the Minister of Canadian Heritage, to have the opportunity at the federal level to dedicate my energies to a sector that is so near and dear to my heart.

The Government of Canada supports Canadian culture with energy and enthusiasm. We believe that government indeed has a role to play in promoting the development of our culture and in strengthening our own identity.

Every country has a right to ensure that its languages, traditions, symbols and myths remain vibrant. Telefilm Canada is one of the institutions that plays a crucial role in helping the government to achieve our cultural policy objectives, namely the production of quality Canadian content and ensuring that this content reaches all Canadians from coast to coast to coast.

As a cultural investor, Telefilm Canada is dedicated to development, production, promotion and distribution of popular Canadian television programs, films and new media products. It is committed to supporting Canada's audiovisual industry to create cultural works that reflect and celebrate the diversity of Canada and are widely appreciated, not only in Canada but internationally recognized abroad.



*Government Orders*

Through its investments, Telefilm encourages excellence while creating a portfolio of products that reflect a diversity of format, budget, genre, content and talent. Telefilm is unique among many government institutions. It is part of a policy toolkit that includes several other government initiatives to encourage the production and dissemination of Canadian stories and the development of Canadian talent.

In its role, Telefilm provides financial assistance and strategic leverage to the industry in producing high quality works that include feature films, drama series, documentaries, children's shows, variety and performing arts programs, and also new media products. All of these reflect Canadian society, including our linguistic duality and our cultural diversity.

Telefilm's investments have made it possible for thousands of Canadian screenwriters, directors, producers, distributors, technicians, performers and multi-media designers to pursue their careers right here in Canada.

Let me share a few statistics with the House. In 2002-03 more than 225,000 full-time equivalent jobs in the country were generated by the audiovisual and sound recording sectors. Keeping these creators at work in our country enriches both our cultural landscape and our economy. These innovative workers are very much part of a knowledge based economy of the 21st century. They are helping to build the kind of creative communities that can best attract new investment in the marketplace of today.

Last year, theatre box offices in Canada took in more than \$950 million, of which Canadian films accounted for 3.5%. So far this year Canadian films have earned \$36 million, or almost 5% of the total box office. These numbers are good news for our economy and cultural sector, but there is still much more to achieve.

• (1615)

Canadians were extremely proud earlier this year when Denis Arcand won the best foreign language Oscar for *Les invasions barbares*. In fact, in 2003 this film opened the Toronto International Film Festival. This movie has thrilled both critics and audiences across Canada and around the world. It will come as no surprise to members that Telefilm Canada helped finance this ground-breaking academy award winning production.

With an annual budget of approximately \$250 million, Telefilm Canada aims to ensure the widest possible audience for Canadian works, both here and internationally. It does this through support for distribution, export, marketing and industry promotion at Canadian and foreign festivals, markets and other events.

At the same time, the Government of Canada is committed to the highest standard of management. We want to ensure that the administration of government programs is the best that it can be.

Telefilm Canada was created more than 35 years ago, in 1967, with a mandate to foster and promote the development of a feature film industry. I am sure it will come as no surprise to members that Pierre Elliott Trudeau was the Prime Minister at that time. Over the years, successive governments have expanded its responsibilities to include television, new media and sound recording.

Telefilm's activities have changed as technology has evolved. This bill reflects that new reality. As a consequence, this bill would formally extend the mandate of Telefilm to the entire audiovisual sector in recognition of the important role that it has undertaken over the years. The proposed amendments to the Telefilm Canada Act would thus constitute adjustments which would confirm in law Telefilm's current activities.

Telefilm's role and activities would remain the same: to support all the audiovisual industries, including film, television and new media, and to administer the music entrepreneur program on behalf of the Department of Canadian Heritage.

I am extremely proud and privileged to be entrusted with responsibilities related to Canadian culture. As the recent Speech from the Throne said, and as I noted during my debate on the Speech from the Throne:

What makes our communities vibrant and creative is the quality of their cultural life. The Government will foster cultural institutions and policies that aspire to excellence, reflect a diverse and multicultural society, respond to the new challenges of globalization and the digital economy, and promote diversity of views and cultural expression at home and abroad.

I am proud of institutions like Telefilm Canada, which are helping to keep Canadians employed in Canada in creative jobs, strengthening our innovative economy, and reflecting Canadian realities both to audiences at home and around the world. I therefore ask hon. members to support Bill C-18.

• (1620)

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Mr. Speaker, the amendment to the Telefilm Act is a technical bill, an exercise in housekeeping for this agency.

When Telefilm Canada was created in 1967 its mandate was to foster and promote the development of a feature film industry in Canada. Over the years, as technologies evolved, Telefilm has been assigned new responsibilities, not by mandate or legislative reform, but by convention. These responsibilities are in other film related fields but fields which were not mandated by this agency. I am certainly not suggesting that Telefilm was not equipped to handle these additional responsibilities but simply that it was not mandated to do so and should have been.

The bill would provide the legislative permission to expand its mandate from only feature film into television programming, new media and sound recording. In fact, it has been doing these without a mandate in some cases for over 20 years. The government is again demonstrating a lack of accountability in the heritage ministry.

Telefilm Canada was created 37 years ago and there has been no move to update its legislation since. This suggests to me that for 37 years there may have been little accountability and transparency in the use of tax dollars. This agency has been operating outside its mandate for two decades in some cases. This is not acceptable to the Canadian people.

*Government Orders*

The legislation is being introduced to bring the act into compliance with the Auditor General's observations and concerns regarding the technical inconsistencies in the current Telefilm Canada Act but the bill is a first step toward fixing the problem. If the government were serious about governing and not only addressing inconsistencies within Telefilm when caught, the legislation would be bringing forward a new vision for Telefilm and not simply correcting the past. The legislation should be part of a greater process of modernization of Telefilm. It should be part of the process of ensuring that Telefilm is relevant for the next 35 years, not simply catching up for the past 35 years.

Bill C-18 is a housekeeping act which, I certainly believe, should lead to a bigger process, a process that we have been demanding in so many of the broadcasting and cultural areas. For example, it took on television in 1983, new media in 1998 and sound recording in 2001.

When a crown corporation has been acting outside of its mandate for over 20 years, it clearly suggests that there needs to be more work done than simply making these activities legal, as the bill would do.

The film industry is a valuable part of the cultural and entertainment business in this country. Canadians would like to be assured that Telefilm is not only acting in a way that is accountable to the Canadian public, but that it has been successful in meeting its mandate.

Are there more feature films being made in Canada today? Is the industry bigger, better and stronger? On this side of the House we would like the answers to these questions. We would like a process to review the role of Telefilm and the film industry support programs within the heritage ministry and a process of consultation and debate in the House on that role.

If these industries are stronger, then great. Have they been able to adapt to the changing environment and business realities of the new entertainment world? If not, can the existing programs be refocused to ensure that support programs in place are effective and responsive to the industry's needs?

The ministry cannot plan to replace a real dialogue on the future of the film industry in this country with only this exercise in housekeeping. Now that Telefilm has been given a mandate that matches its activities, we expect that Telefilm will show measurable outcomes, clear objectives and transparencies, which is expected of all crown corporations.

While the government is responsible for offering a leadership role, it is once again only acting in a reactionary way. What Canadians need from our federal government is a vision and the courage to take hold of the future and ensure Canadian creators have a significant part to play in that future.

The bill is adequate for what it is, which is a first step, but make no mistake, support of the bill does not imply that the challenges have been met. There is much more work to be done.

• (1625)

**Mr. Jim Abbott (Kootenay—Columbia, CPC):** Mr. Speaker, I am pleased to speak to the bill. This being my first occasion to speak

in the House, I would like to thank the electors of Kootenay—Columbia for expressing their confidence in me and returning me for the fourth time. The people of Kootenay—Columbia obviously have great taste.

In the last couple of Parliaments I have had the privilege of serving in the capacity of the heritage critic for the Reform Party, the Canadian Alliance and now, of course, we are the Conservative Party. Many of our policies and attitudes have rolled forward. We have stayed true to where we are coming from on questions like this, particularly as it relates to Telefilm Canada.

The question that has been raised by my colleague from Edmonton about the fact that this is an overdue bill is very clear. The point that this is in fact 20 years overdue should be underlined. As was written in our dissenting opinion on the review of Canadian broadcasting, it states:

New technological developments have created an environment giving Canadians access to more radio and television choices than ever before. More options mean audiences for any one channel are smaller than 10 years ago.

Broadcasting companies have responded to the challenge of audience fragmentation with a number of strategies. Some are attempting to become media conglomerates. Others are attempting to assemble a broad base of customers through cross media ownership. No one knows how successful either of these initiatives will be.

The Conservative Party is convinced that the next 10 years will offer incredible opportunities.

Clearly, what we are dealing with here, as has been described, is a housekeeping bill that is absolutely essential.

However, unlike my friend from Toronto who spoke earlier, I have perhaps a little bit more pragmatic approach to what we can actually do in terms of Canadian content. I look at Telefilm Canada as being an opportunity to move forward the whole issue of Canadian content and to respect Canadian content, but then I first have to ask whether we have ever actually sat down and defined what Canadian content is.

The second question I have, after we go through the exercise of determining what Canadian content is, is how practical are the ways that we are trying to direct Canadian content by Telefilm Canada by the other funding agencies and the funding directions that we have within our system?

The current system designed to promote Canadian content is cumbersome and inefficient. The witnesses' testimony in the review that we did about the problems with the existing structure for defining and supporting Canadian content were well described in chapter 5 of our cultural sovereignty. Obviously the creation of original Canadian programming is important but the impossible question consistently eluding an answer is, who judges what is Canadian. This has led to unaccountable bureaucracies enforcing vague definitions of Canadian content. This results in an unproductive dampening of creative innovation.

*Government Orders*

I notice that the bill is good in terms of its technical support for Telefilm Canada and it is a very direct and very sincere effort to bring Telefilm Canada into the realm of what is doable and what is workable, but at the same time, and I know I will be circling back and circling back, how do we define exactly what Canadian content is? Is Canadian content, for example, a tractor pull? Is Canadian content taking apart scallops on the east coast? Is Canadian content singing about taking apart the scallops on the east coast? Exactly what is Canadian content?

Until we take an actual, factual hard look at defining what Canadian content is, I do not think we will ever be able to come forward with things that will culturally work within Canada.

Current Canadian content definition determines access to various public support programs, and that is the clue to it, such as Telefilm Canada, feature film fund, Canadian television fund, tax credits, and it measures television broadcasters' conformity with CRTC regulations. What can we say about the CRTC?

• (1630)

As it should, Bill C-18 would update and upgrade the Telefilm laws, but the government seems to have an aversion to getting away from the reality. I recognize that my examples of a tractor pull or a demolition derby are extreme in the minds of some members in the House, but they are not. Canadian content is what we do. Canadian content is who we are. Canadian content is how we choose to express ourselves. Canadian content is how we relate to each other within the confines or the boundaries of our great nation.

Far too often the members on the other side of the House are given to these expressions of how valuable and important the participation by the Canadian taxpayer through funding and grants and all of this overview. I do not question the sincerity of these comments but it seems to me that they have a tendency to kind of underplay or undervalue the whole of who we are as Canadians.

The Conservative Party supports Canadians producing content for film and television but we would create a simpler system. We would remove content definition regulations. Subsidy and tax credit benefits to the Canadian entertainment industry would be based on substantial involvement by Canadians as opposed to specifically what it is that they are producing.

The Conservative Party has faith in Canada's creative community. Our primary objective is to exhibit Canadian productions to a larger audience. We believe Canadian content is an issue of cultural development. We intend to enable Canadian creators to reach an expanded international audience in broadcasting.

If we were to take a broader view of what Canadian content is and what we can do with the resources that the Canadian taxpayer gives to us, if we were to allow the creative community a broader sense of ownership of the product that it is putting out, and if we were to have more faith in Canada's creative community, I believe at the end of the day we would have a far greater and broader reflection of Canada within our creative community.

[*Translation*]

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, the world we live in is hypermediatized, globalized, dominated by market logic; it is a world exposed to cultural darwinism, a world where film

and other audiovisual media appear to be extremely powerful and popular means of communication.

For years, in keeping with the approach of intruding into others' realms of responsibility, Telefilm Canada has imposed itself upon Quebec as a federal cultural body mandated with the development and promotion of the film and television industries.

Bills C-18, on which there is a motion for reference to the Standing Committee on Canadian Heritage, is intended to integrate into the mandate of Telefilm Canada the entire audiovisual industry, that is film, television and the new media. Among other things, it also provides the corporation with the authority to act in the sound recording industry underagreements made with the Department of Canadian Heritage.

In fact, all Bill C-18 does is to update and render official the increased responsibilities Telefilm Canada already has. The current legislation is not, in fact, reflective of the actual mandate of Telefilm Canada and needs to be updated. So Bill C-18 makes official the new Telefilm mission that has in fact been in place for years.

In its 1997-98 annual report Telefilm Canada presented its mission, including in it development and promotion of the Canadian film and television industry and new media products. In its March 2002 survey on client satisfaction and needs, 21% of respondents reported that they worked in the new media sector among others.

The main purpose of this bill being to act with respect to the audiovisual industry, that is mainly film, television and new media, and to provide the corporation with the authority to act in the sound recording industry underagreements made with the Department of Canadian Heritage, that objective does not present any problem for the Bloc Québécois.

We must remind hon. members, however, that essentially the bill replaces the expressions "pecuniary interest in film activity" and "feature film production" with "any pecuniary interest in the audiovisual industry". Let us also recall that it provides Telefilm with the authority to act in the sound recording industry underagreements made with the Department of Canadian Heritage, and provides it with the powers of a natural person. As well, everything done before the coming into force of this enactment is deemed to be valid to the same extent as it would have been were it done after this enactment comes into force. It also adds a dubious point at 10(9), reading as follows:

The corporation shall, to the greatest possible extent consistent with the performance of its duties under this Act,

(a) carry out its mandate in the broader context of the policies of the Government of Canada with respect to culture;—

The Bloc Québécois is wondering about the addition to subsection 10(9) of a paragraph referring to federal policies with respect to culture.

At present, no such policy exists formally, although the Minister of Canadian Heritage stated, on August 21, that she was considering it and would be consulting on the matter. The Bloc Québécois would like to know what this reference to cultural policies is all about.

### Government Orders

As far as the Bloc Québécois is concerned, there is a Quebecois culture, which is one of the essential elements of Quebec's difference. It is recognized both in Quebec and abroad for its vitality and originality. Quebecers are fond of cultural productions made in Quebec, be it on radio or television, in film, theatre or dance, and very open to foreign cultural productions.

The federal government, however, refuses to recognize the unique reality of the Québécois culture. As far as it is concerned, it is nothing more than a regional component of Canadian culture. In addition, the cultural policies of the federal government often have the utilitarian purpose of promoting Canadian identity, pride and unity.

●(1635)

That is why, for former heritage minister Hélène Sherrer, the federal government's focus was no longer on cultural events or activities, but rather on using any and all cultural, multicultural or culturally diverse activities to make every citizen feel like they were fully Canadian. It is in that sense that there will be investments into culture, she said.

The Bloc Québécois' position on government support to culture is that it should be free of any political objective. It should allow those in the cultural sector to express themselves on any issue concerning humanity, rather than fund productions that simply glorify whatever is Canadian.

The Bloc Québécois will continue working for the defence and promotion of the Québécois culture, supporting Quebec's artists and craftsmen and working toward the recognition of the principle of Quebec's cultural diversity, both nationally and internationally.

Furthermore, the Bloc Québécois will continue to expose any attempt by the federal government to use cultural programs for political purposes and to recognize Quebec as the sole authority in the area of arts and culture within its territory.

Stakeholders from cultural and film organizations—Association des producteurs de films et de télévision du Québec, Association des réalisateurs et réalisatrices du Québec, Mouvement pour les Arts et les Lettres, and the Union des artistes—that we have contacted see nothing wrong with Bill C-18. However, they are worried about the possible 5% budget cuts by the federal government in its departments and agencies, including Canadian Heritage, Telefilm Canada, the Canadian Broadcasting Corporation and the National Film Board.

In a press release on November 3, 2004, the APFTQ said:

—in a context where federal budgets for the film and television sector have not increased in a few years, and inflation has never been taken into account, such a cut would further reduce our ability to produce and to create jobs and would make artists, artisans and production companies even more vulnerable.

The public here benefits daily from access to national productions that are broadcast on the small and big screens. Canada can be proud of the international presence of its artists and television and film productions. Renewal of the government's support remains indispensable to continued success.

On November 4, 2004, Michel Coudé-Lord of the *Journal de Montréal* described these budget cuts to culture as another crisis for the Minister of Canadian Heritage and said in conclusion:

It remains to be seen whether the former Radio-Canada host turned Minister of Canadian Heritage will remember the demands of television and grasp the importance of the message. This is certainly a story to follow.

At the Bloc Québécois, we know that artists often have a very modest income. According to the department of culture and communications in Quebec, in 2001, three artist groups, artisans—\$18,751—dancers—\$20,215—and visual artists—\$27,741—earned far less than the average taxpayer in Quebec.

Given the fact that the bill does not get into defining a possible federal policy on culture or issues related to funding for Telefilm Canada, and is limited to adjusting the mandate of the crown corporation in order to bring it in line with its current mission, the Bloc Québécois feels it must support Bill C-18.

That said, I want to remind hon. members that Quebec, through the Bloc Québécois, will insist in its demand for control over matters of communication, culture and telecommunication.

●(1640)

[English]

**The Acting Speaker (Mr. Marcel Proulx):** It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Prince Albert, Taxation; the hon. member for Essex, Taxation; the hon. member for Cumberland—Colchester—Musquodoboit Valley, National Defence.

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Speaker, I am pleased to support the bill to amend the Telefilm Canada Act. The bill that would clarify Telefilm's mandate and provides for the corporation to carry on its current activities in the audiovisual industries, specifically film, television, and new media.

Because the bill is far more significant than just a simple housekeeping bill, I would like to take a few moments to describe these activities in more detail and show how they translate very concretely in the cultural lives of Canadians. One could say that the bill is overdue, but that would be cynical and we should be glad that it is here and we are dealing with it today.

Telefilm programs support the development and production of approximately 45 Canadian feature films in English and French each year. In an extremely competitive theatrical market, many of these Canadian films have posted remarkable successes, both critically and at the box office throughout the decades. In the seventies, *The Rowdyman*, *La mort d'un bucheron*, *Black Christmas*, and *The Apprenticeship of Duddy Kravitz* all generated great reviews and returns on Telefilm's investments. More recently, Canadian films such as *The Sweet Hereafter*, *The Red Violin*, *The Fast Runner*, *Les Boys*, *Hollywood/Bollywood*, *Séraphin*, *Mambo Italiano*, and the Academy award winner *Les Invasions barbares* have confirmed an attentive and consistent audience at home for our films and raised our national share of the overall theatrical market to almost 5%, up from only 2% just a few years ago.

I know some members opposite are hoping for a feature on scallops and perhaps someone will come out of his or her shell and produce such a film.

In addition to fostering a national film industry of which we can all be proud, Telefilm has provided meaningful support to the television sector since the early 1980s. In recent years the crown corporation investments, through the Canadian television fund, have brought Canadians some of the most provocative and entertaining programming available anywhere, including *Da Vinci's Inquest*, *Un gars, une fille*, *Road to Avonlea*, *Les Filles de Caleb*, *Million Dollar Babies*, and *North of 60*. I am sure that most members are familiar with, some more intimately than others, the irreplaceable *This Hour Has 22 Minutes*.

Another example many members will recognize is *La Petite Vie*. It was such a big hit that at one point more than half of all Quebecers were tuning in to see it on a regular basis. More recently the miniseries *Trudeau* captivated record numbers of Canadians across the country, demonstrating just to what extent our own stories can bind this nation together. I know many members opposite really found that most enlightening.

Many of these television productions have won awards for their creators here in Canada, and some have even attracted audiences abroad. *Da Vinci's Inquest*, for example, is now broadcast in 45 countries on five continents. The format for *Un gars, une fille* has been sold and resold to 30 countries including Germany, France, Bulgaria, and Italy.

Telefilm has been involved in the new media sector since 1998. In addition to the new media content associated with television programming that are becoming more and more popular, such as *Degrassi* and *The Toy Castle*, Telefilm has supported the development and production of unique new film media content that Canadians and people the world over can access and enjoy, from interactive educational games such as *Mia Mouse* to databases full of facts about Canada and its diverse peoples.

In 1967, when Parliament created Telefilm Canada, Judy LaMarsh, then secretary of state, observed that, "Motion pictures are an important element in our cultural life. They should serve a national purpose and reinforce a Canadian identity".

Technology has indeed evolved since 1967 and the activities of Telefilm Canada have kept pace with this evolution and has successfully ensured that more than just motion pictures serve a national purpose, and speak to our sense of identity.

● (1645)

The examples I have provided today should demonstrate just how important it is for the government to continue its support of audiovisual industries no matter how they evolve down the road. Simply stated, Telefilm is a cultural institution that encourages and promotes excellence. It has done so since 1967 and with this bill it will continue to do so.

I therefore ask the hon. members to support the motion to refer this bill to committee before second reading.

● (1650)

[Translation]

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I am pleased to rise this afternoon to speak to Bill C-18. I would like to take this opportunity to draw attention to the 35th anniversary of Telefilm and its major achievements.

### Government Orders

Some of its huge successes have already been mentioned, such as *Da Vinci's Inquest*, *Un gars, une fille*, *Road to Avonlea*, *Les filles de Caleb*, *Million Dollar Babies*, *North of 60*, *La petite vie* and, of course, the miniseries on Pierre Elliott Trudeau, which we all liked and will remember for a long time.

I want to tell the House about another miniseries called *FranCoeur*. It is being shot in the beautiful community of L'Orignal, Ontario. I thought that the Speaker currently in the Chair would have a special appreciation for the community of L'Orignal, his home town, where his father and his grandfather were born, both of whom were elected in the riding of Prescott a number of years back. Your ancestors, Mr. Speaker, lived in L'Orignal.

With *FranCoeur* being shot in our part of the country, francophones outside and inside Quebec have the opportunity to learn about the French fact in the region I represent.

Like every francophone outside Quebec, I grew up watching television programs produced by the French CBC, in Montreal. All we knew was that post office box 6000 in Montreal meant "Radio-Canada" and that kids watching children shows could write there to take part in a weekly draw, but I do not remember what the prize was. Never in those shows did we recognize anything from back home, from the region I have known all my life.

Today, it is different. Not only TV series such as *La petite vie* and others were filmed where they were supposed to be happening, but we also have a TV series originating in my area, Alfred, L'Orignal as I said, Lefaivre or other communities in the riding I have the honour and privilege to represent in this House.

Like me, Mr. Speaker, you will recognize, if you have the opportunity to watch the TV series *FranCoeur*, how pleasant it is to watch something on TV you know in real life. It is a rare occurrence for francophones outside Quebec. It does not happen often. At any rate it never used to happen before.

Even for people living in rural Quebec, it is probably not a common occurrence. Just about everything was filmed in Montreal. As a matter of fact, a while ago, the whole structure to fund cinema depended on audience ratings, which meant that if it was not filmed in Montreal it was a flop. All that to say that people in our area felt cheated in this respect.

I would be remiss not to congratulate the hon. Sheila Copps—now that she is no longer a member of this assembly, at least for now, I can call her by her name—for personally intervening on May 26, 2003, to grant extra funding to keep the mini series *FranCoeur* alive. It was so successful that this year Radio-Canada bought it to broadcast it across the country.

*Government Orders*

I would like to go back to something a Bloc Québécois member said earlier. I hope I misunderstood him. He said that somehow culture should come under the authority of the Quebec government and not ours. That would mean in fact that, since the critical mass of francophones in Canada is in Quebec—any francophone in Canada knows that of course and is proud of it—without favourable audience ratings in Quebec, French programming in the rest of the country would disappear. This is the Canadian reality. When they speak, Bloc Québécois members should not forget, as they so often do, the francophones living in a minority situation such as those in the riding I have the honour and privilege to represent in this House.

• (1655)

This is what it is important to point out. Telefilm has an important role to play, as has the Canadian Broadcasting Corporation. The Minister of Canadian Heritage has an extremely important role to play to make this linguistic duality a reality in Canada.

I cannot agree with some of the remarks by Conservative Party members that we can eliminate all definitions of Canadian content and it will still work. If we did this, they would be the first to say that people have abused the system and have broadcast programming that was not really Canadian, because the rules were not tight enough. We know them; this is what they would say in such a situation.

It takes strict rules to define Canadian content. We agree that these rules are developed in consultation with the industry. Otherwise, the strongest people would get the subsidies, would do most of the work elsewhere and would maintain that there is Canadian content because one of two scenes from Canada were added. So there is a reason for these clauses.

Personally, I support the minister and this bill. I want us to keep the proper rules that we have now.

In conclusion, I take the opportunity not only to express my support for this bill, but also to congratulate Telefilm Canada for its good work in the past. I invite it to keep a vigilant eye on the issues of minority language communities. This was done in the case of *Francoeur*, which I mentioned earlier. It was difficult to ensure that those in charge of these programs will recognize that we exist, although this is happening now. This vigilance must be maintained not only for francophones in my region, but also for Acadians, Franco-Manitobans and other French communities.

I want Canadian francophones to learn to know each other. I want Quebecers, our cousins, to learn to know us also, because we exist. This is also important.

[*English*]

The same applies to the English-speaking minorities across the country as well, if they live in a particular region of Quebec, so that the rest of the country can get to know them as well. This is all part of Canada. This is all part of the Canadian reality.

Perhaps we watch too much television. Perhaps all these things are true. But the fact remains that so long as people do that, that is to say, watch television or use those kinds of vehicles to learn about one another in this great country, this is the way that we become aware of each other's existence. That is why it is important for the minorities across Canada, all of them, to be properly recognized, because that is

the Canadian reality. Telefilm Canada can help and has helped us achieve that and so has public broadcasting in general in this country. That is why I support the bill.

\* \* \*

**BUSINESS OF THE HOUSE**

**Hon. Raymond Simard (Parliamentary Secretary to the Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, I rise on a point of order. There have been discussions among the parties. I think if you seek it you would find unanimous consent for the following motion. I move:

That at the conclusion of oral questions on Tuesday, November 16, 2004, the House shall hear a brief statement by a representative of each party to pay tribute to the late Hon. Ellen Fairclough.

• (1700)

**The Acting Speaker (Mr. Marcel Proulx):** 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)

\* \* \*

**TELEFILM CANADA ACT**

The House resumed consideration of the motion.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I would like to seek unanimous consent to share my time with my colleague from Nanaimo—Cowichan.

**The Acting Speaker (Mr. Marcel Proulx):** Does the hon. member have the consent of the House to share his time?

**Some hon. members:** Agreed.

**Mr. Peter Stoffer:** Mr. Speaker, I thank you and the members of the House.

On behalf of our heritage critic, the member for Timmins—James Bay, we would like to offer the NDP's support for this initiative, although there is one glaring error, which has been mentioned by our critic, and we would like to straighten that out as we go along. The reality is that there is no professional artist on the board of directors of Telefilm. We think that to be more open and transparent, especially to Canadian taxpayers and the Minister of Heritage, there should be a professional artist on that board. It would add more diversity and we think the board would actually be improved by it.

I cannot think of a better professional artist to be on that board than the great Wendy Lill, a member of Parliament from 1997 until 2003 and the last election. She is an artist. She is a novelist and a wonderful playwright and I believe she would be an excellent addition to the Telefilm board of directors.

I see my colleague nodding her head indicating that she is an absolutely good choice. We would hope that the Liberal Party and members in other parties would take that recommendation. Although Wendy would probably kill me for saying this, I think she would be an excellent person on that board to fix it up and move it along.

*Government Orders*

I want to correct something that has been said in the House many times by members of Parliament. It is a glaring error. One hears the term “the two founding cultures of Canada” and that is wrong, wrong, wrong. There are actually three founding cultures: the aboriginal people, the French and the English. We always forget the aboriginal people when we talk about culture.

As a person who grew up in B.C., I have to admit that my favourite show was *The Beachcombers*. Who could forget the great Relic? My British Columbia colleagues would know of that beautiful town of Gibson's Landing, British Columbia, with Molly's Reach and everything else. It was a fantastic show. For 17 years that Canadian show was on television. As a kid growing up, I could not wait to see it every week. It was absolutely fantastic. That is part of Canadian content.

Then I moved to the Yukon where I listened to and watched *CBC North* and the Aboriginal Peoples Television Network. Watching the culture of the aboriginal people on their own television network was an absolutely wonderful way to understand native and aboriginal culture in this country, especially that of the north.

Moving now to Nova Scotia and the wonderful films and shows that are coming out of there, it is absolutely fabulous. It makes one even more proud to be a Canadian citizen. The culture and diversity in this country are spellbinding and know no limits. This is why we think the Canadian government has a role to play in Telefilm.

We are throwing this little salvo out to the finance minister, or Scrooge McDuck as some would call him, to say not to touch the CBC budget. In fact, he should enhance the CBC budget. There was a time in this country when we used to speak to each other through the CBC. Now we seem to be getting away from that. I think that is something that should be reversed and enhanced.

With regard to this bill, we in the NDP support the initiative in the bill, but again, we would like to see a professional artist on the board of directors as an enhancement to that board.

I want to say that aside from growing up watching *The Beachcombers*, as a little kid I had another favourite show, which I forget the name of right now off the top of my head, but we all know his name. He was a great guy. He had the rooster and his comfy chair.

**Some hon. members:** *The Friendly Giant*.

**Mr. Peter Stoffer:** *The Friendly Giant*, that is it. Who could forget Rusty? I want to put on the record right now that my favourite chair was the comfy chair. That was fabulous.

Those are the types of memories I have from being a kid watching Canadian television. I think our kids and our kids' kids should be able to grow up watching great Canadian television. We think Telefilm Canada and the Government of Canada should play a role in that in a very positive way. Wendy Lill as a professional artist on the Telefilm board of directors would be an outstanding choice for all of Canada.

• (1705)

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, as my colleague from Sackville—Eastern Shore has pointed out, the NDP is prepared to support Bill C-18.

I take this as an opportunity though to talk about the importance of culture and the arts community in Canada. I am very fortunate to come from a vibrant community, Nanaimo—Cowichan, that has produced the likes of Diana Krall and many other very successful Canadian artists.

While I was in my riding last week, I had the opportunity to meet with some members of the writer's union. They talked about the plight of the artistic community in Canada. Although this initiative does support the development of culture in Canada, we must recognize that there is a very clear role that the government must continue to play in supporting arts and culture in Canada.

Some of our writers are suffering from the mega success stories that make everyone think that writers are all making big bucks. The reality is many of our writers in Canada are making less than \$11,000 a year. That is a shame.

We need to look for ways to enhance and support writers, musicians, film producers, artists and actors in Canada to ensure that we maintain the vibrancy of our Canadian culture.

Max Wyman recently put out a book in which he talks about the importance of culture in Canada and the need to ensure that we continue to support arts and culture. He specifically talks about things such as the economy and the impact that arts and culture has on it.

I will use the example of a community in my riding called Chemanis. A number of years ago the town of Chemanis suffered as a result of a mill closure. It revitalized its community by building on the artistic community. It became the little town that could. What it did was develop murals and from those murals a number of painters, writers and potters helped reinvigorate that community. The artistic investment in our community has allowed the economy to grow and expand. That is just an example of an effort by all levels of government to support the arts community and to reinvigorate a community. There is a definite economic benefit to protecting our arts and culture.

The other issue around arts and culture is to ensure that we also protect the intellectual life in our communities. The federal government could play a critical role in providing funds for grants, providing educational opportunities and assisting artists and writers in residence at universities. We would expect this role could be revitalized over the next couple of years.

My colleague from Sackville—Eastern Shore also talked about the role of the CBC in culture. In many cases we can thank the CBC for bringing on local artists and promoting local writers and other organizations. Over the last number of years we have seen the erosion of that vital role of the CBC. We would look to the government to reinvest in the CBC and reinvigorate it.

My colleague also talked about films such as *The Beachcombers*. I am lucky to come from British Columbia. We have seen such films as *The Beachcombers* and *Da Vinci's Inquest*. We have a very vibrant film society there. We would like to see more investment in it. Not only is it an economic driver, but it is an opportunity to provide training and education and it is an opportunity to enhance the kinds of artistic endeavours our country can provide.

*Government Orders*

The NDP supports Bill C-18 and we look to the government to reinvigorate our arts community.

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Madam Speaker, I am pleased to speak in support of the bill to amend the Telefilm Canada Act.

Telefilm is a crown corporation that was created in 1967 to foster and promote the film industry in Canada. As technology evolved and Telefilm was assigned responsibilities in the television, new media and sound recording sectors, the corporation had to evolve and did so to meet the changing environment for media in this country and around the world. Millions of dollars in investment for productions and companies have been put forward in pursuit of that objective to bring us up to date with the 21st century media.

These investments have been bolstered by partnerships with provinces. They have contributed not only to vibrant industries in virtually every region across the country, translating not only into thousands of direct and indirect jobs, but also have created hundreds and thousands of hours of quality programming that reflects Canada to Canadians of all walks of life, of every ethnicity and race, in every region and in both official languages.

Even though the main Canadian centres of film and television production have traditionally been located in Toronto and Montreal, creative people, working in the audiovisual industry, live and work in every province and territory, work in diverse languages and reflect the almost limitless number of cultural perspectives of Canada, building capacity in every region.

The Government of Canada recognizes the value of the diversity of its citizens. It believes in the fostering and strengthening of connections and a deeper understanding of not only of our great geography and regions and our history, but also of the diversity of our peoples. Telefilm can create and build a more tolerant and progressive society. As a crown corporation, Telefilm represents these ideals well, with offices in Vancouver, Toronto, Montreal and Halifax. It does its utmost to encourage regional production that reflects Canadians in all their diversity, telling the stories of our nation and its history.

In 2002-03 the Canadian feature film fund, administered by Telefilm, contributed 25% of its production funding to the west, 43% to Quebec, 29% to Ontario and Nunavut and 3% to the Atlantic regions. In that same year 9% of the equity investment program, the Telefilm administered component of the Canadian television fund, was dedicated to the Atlantic region, 28% to the west, 37% to Quebec and 26% to Ontario and Nunavut. This year 39% of the Canadian new media fund administered by Telefilm was directed to projects based in Ontario and Nunavut, 29% to projects from the west and 30% to the new media projects created in Quebec and to those created in the Atlantic.

Through the music entrepreneur program, MEP, Telefilm supports independent Canadian companies in an effort to ensure the stability, sustainability and competitiveness of our sound recording industry. Through two phases of development, business planning and business plan implementation, the MEP funded 26 companies across Canada this year based on market, financial and cultural criteria. A few of these members may know of are the Children's Group from

Pickering, Ontario, Justin Time Records from Montreal and Nettwerk Productions from Vancouver.

Some better known examples of regional television production supported by Telefilm include the current hit *Corner Gas* produced in Saskatchewan and the longstanding favourites, of I am proud, *Da Vinci's Inquest* and *Cold Squad*, both of which not only originate in Vancouver but tell stories of what is going on in Vancouver currently. In the Atlantic Region there is *Made in Canada* and *Trailer Park Boys*, which received funding through the equity investment program.

[Translation]

There was *FranCoeur*, the first Franco-Ontarian drama presented on TFO in 2003 with the help of Telefilm Canada.

• (1710)

[English]

In feature film Telefilm contributed to critically acclaimed *Atanarjuat: The Fast Runner* by Zacharias Kunuk. The title was the first Canadian film shot in Inuktitut through the Canadian television fund. This is what we mean when we present the diversity of our people and our regions and tell our stories to Canadians in the way only Canadians can, which is so very unique in any country in the world. This film, as we know, won the coveted Golden Camera Award for a first feature at the 2001 Cannes International Film Festival, and will hopefully clear the path for more features of our great northern cultures in years to come.

Other Telefilm supported films exploring diverse cultural perspectives include *Bollywood/Hollywood* by Deepa Mehta, and if members have not seen it, it is worth seeing, *Mambo Italiano* by Émile Gaudreault, *Ararat* by Atom Egoyan, *Long Life, Happiness and Prosperity* by Mina Shum, *Khaled* by Asghar Massombagi and *L'Ange de goudron* by Denis Chouinard.

Most of these films listed performed very well at the Canadian box office and abroad. For example, *Mambo Italiano*, and again I do not know if members have seen it, is hilarious. It tells about the Italian community in Canada and the struggles of trying to maintain its culture in a changing world.

In closing, I wish to congratulate Telefilm Canada for its excellent record in providing support to all octaves of creative voice in Canada throughout the decades. I ask hon. members to support the motion to refer the bill to committee before second reading.

• (1715)

**The Acting Speaker (Hon. Jean Augustine):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Hon. Jean Augustine):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Hon. Jean Augustine):** Accordingly the bill stands referred to the Standing Committee on Canadian Heritage.



*Government Orders*

(Motion agreed to and bill referred to a committee)

\* \* \*

[*Translation*]

**AN ACT TO ESTABLISH THE ECONOMIC  
DEVELOPMENT AGENCY OF CANADA FOR THE  
REGIONS OF QUEBEC**

The House resumed from November 5, consideration of the motion that C-9, An Act to establish the Economic Development Agency of Canada for the Regions of Quebec, be read the second time and referred to a committee.

**Ms. Françoise Boivin (Gatineau, Lib.):** Madam Speaker, I am truly happy to have the privilege, as the member for Gatineau, to address the House with respect to Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec.

I am proud to support this bill that has been favourably awaited by all my constituents and the people of the Outaouais region. The government as made it one of its priorities to ensure the success of Canadians in every region of our country. It will consequently do everything in its power to support Canadians in their efforts to realize their ambitions in terms of prosperity and improvement of their quality of life.

Indeed, to build the economy of the 21st century sought by the Canadian people, we know that we must innovate by building upon regional strengths. For us, Economic Development Canada has an important role to play in ensuring that our country has a strong and dynamic economy based on innovation and its great development potential, an economy helping Canadians face the future with confidence and optimism, an economy helping us reach excellence.

We all know today that advances in technology are one of the main factors behind sustained economic growth. By improving our businesses' productivity and increasing the standard of living, the agency contributes significantly to the regional development of the regions of the country, of Quebec in particular, and certainly of Gatineau.

In the years to come, the agency intends to keep helping Quebec's small and medium-sized businesses with innovative projects. The agency will provide support to small and medium-sized businesses as they seek creative and ingenious ways of developing and marketing new products. It will pursue the goal of helping businesses to diversify their operations and to create quality jobs, thus ensuring positive growth. The riding of Gatineau has been waiting for this moment for a long time and looks toward the future with optimism.

The environment in which our businesses operate here and in the rest of the world makes innovation one of the main factors of our development. In other words, to maintain competitiveness and to succeed in the context of the global economy and the acceleration of technological advances, businesses have to innovate, and I would even say that they have to innovate consistently. If innovation has become a necessity for all businesses operating in a market, it is because to innovate is to get ahead of others and to increase competitiveness. Thus, innovation and productivity enhancement are

at the heart of the improvement in the competitive position of our businesses, and consequently of their survival and their development.

It is in this context that, since 1997, the Canadian government has invested more than \$13 billion dollars in the innovation sector to ensure that Canadians will have the necessary resources to create, adopt and adapt new technologies. As we heard in the October 5 Speech from the Throne, we now have to take up the challenge of converting more good ideas into dynamic businesses, meaningful employment and export earnings. The riding of Gatineau is no exception in that regard; it has a lot of good ideas.

We also have to ensure that scientific and technological progress resulting from publicly funded research end up on the market. As well, innovation must lead to greater competitiveness and productivity. Finally, the new technology must be made available throughout our economy and our country. It is of the utmost importance that all regions take part in this move towards innovation. This is a very promising piece of legislation for the riding of Gatineau.

To meet these challenges, the Government of Canada intends to play a leadership role. We already have the greatest innovation team in the country, made up of some 18,000 people working in 106 government research facilities located in the various provinces. Gatineau would welcome some of these research centres. We have been wanting and asking for them for such a long time. We are convinced that we could benefit from this bill, since we already have the required infrastructure. We have it. It would certainly be a great opportunity to restore the balance between the two sides of the Ottawa River.

In 2002 alone, R and D activities carried out in federal departments and agencies accounted for almost \$4 billion, that is around 20% of total R and D spending in Canada. Canada Economic Development has also made innovation one of its top priorities.

● (1720)

Thus, the relative share of financial assistance allocated to innovation projects increased substantially during the past five years, that is, from 24% of the total financial assistance in 1999-2000 to 61% of it in 2003-2004, while the total amount of financial assistance was \$113.5 million.

Quebec outperformed the other Canadian provinces in recent years in terms of research and development initiatives, which are an essential part of innovation support. In 1999, 2.42% of the GDP was allocated to R&D, while the Canadian average was 1.83%, which is equal to what is spent on average in other G-7 countries.

In Quebec, an important part of all private sector research is done by higher education institutions. That part represents a total of more than \$180 million in 1999-2000, thus testifying to the importance of the linkage between universities and businesses. Private financing of university research more than doubled last year. I want to remind the members of the House that we also have a university in the Outaouais and it is very dynamic in the field of liaison, through its Bureau de liaison université-milieu (BLUM).

*Government Orders*

Now, the challenge is to make sure that the final results of university research translate into adequate commercial added value allowing Quebec businesses to innovate even more.

Economic Development Canada can offer important support for SME innovation projects. To this end, the agency has set four priorities regarding innovation. First, it chose to support productivity improvement by helping companies to become more aggressive and more competitive and to put innovation to work to create wealth and jobs in their region. The agency also hopes to support innovation marketing on the various markets. Innovation, as we all know, can mean a new product on the market, or markets for an innovative product.

For Quebec SMEs, Economic Development Canada is the most important federal government agency supporting their innovation marketing strategies. The agency works closely with technology advisors from the National Research Council of Canada and works jointly with its Industrial Research Assistance Program, IRAP, towards developing new and improved products or processes. This priority also covers support for innovation marketing on foreign markets. Our market is limited. It is smaller, for example, than California's. That is why our success will always depend on other markets, which we need to open.

Canada Economic Development also intends to support the preparing and launching of technological industries with high added value, and of industries that locate in resource regions. Finally, the agency hopes to be more active in supporting testing and experimenting in the area of natural resources. These projects are likely to have an impact in the regions where the economy is largely based on natural resources, for example. We know that, in turn, these projects contribute to the fulfillment of economic development opportunities in the regions that welcome them.

At the regional level, Economic Development Canada has for a number of years been using an approach based on the establishment, in each region of Quebec, of a regional response strategy. These strategies, which are adjusted to the regions and the challenges that they face, rely on innovative measures that are geared to the specific context of each region. Moreover, they are developed in close cooperation with local stakeholders and are based on local and regional strengths, traditions, skills and advantages. Ultimately, these regional strategies allow for the identification of areas of excellence for each of the regions of Quebec, including the Outaouais.

In conclusion, I would like to remind this House that this bill confirms the framework for the economic initiatives that we achieve through Economic Development Canada, to ensure that this agency can contribute to the diversification of the regions of Quebec, promote innovation and improve the quality of life of its population.

• (1725)

More importantly, it reflects the bold vision of this government and our desire to ensure the prosperity of all residents and communities of Quebec.

The tabling of this legislation clearly shows the importance given by this government to regional development, to ensure a better life for Canadians and to allow them to live anywhere in the country, in

communities where they can fulfill their aspirations and make their dreams come true.

In short, the bill that is now before us at second reading is yet another initiative taken by the Government of Canada to promote equal opportunities for all Canadians in their quest for well-being. It is good for Canada, it is good for Quebec and it is particularly good for Gatineau.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Madam Speaker, I listened to the hon. member for Gatineau, and I wonder what planet she has been living on. When I look at what is happening in the Gaspé peninsula, and what the federal government does there, I must say that I see total abandonment. Let me give you a few examples.

She talked about adjusted programs. Four or five years ago, the federal government decided to release \$25 million, if I remember correctly. In five years, it has not been able to spend a third of this money, because federal programs at Canada Economic Development are totally ill-suited to our regions.

I will not talk about the mad cow crisis. There was \$160 million left in the last program, and farmers were telling me again last week that this program is so badly designed that they cannot access this money.

I will not talk about the lumber crisis either, which destroyed thousands of jobs in my region. Plants had to be closed when all we were asking was for the government to support these companies.

I will not talk about federal infrastructure, about wharfs that are full of holes and in ruin, about airports the federal government divested itself of, our about non existent trains.

What planet do you come from to be able to talk about regional development? Let me give you an example. We are currently developing wind energy. Hydro-Québec and the Quebec government will spend \$1 billion for this project, whereas the federal government will spend only \$400 million in the whole country. What will we get from this? Hardly anything. Right now, we need help to develop new technologies and locate in our regions businesses that will be able to compete throughout the world.

You are talking about regional development, but you should wake up. Regional development is something happening in Quebec, and Quebecers know how to go about their own development. We are asking the federal government to listen to us and work with us, and not to duplicate structures. Respond to that.

• (1730)

**Ms. Françoise Boivin:** Madam Speaker, I will try to answer. I no longer know which question to answer because he told me he would not talk to me about certain things, but he did. Let's thus assume that he did not raise those issues.

*Government Orders*

That said, it seems to me that my esteemed colleague is reopening the debate according to which that is off limits, because Quebec has to deal with it. I find odd, however, that the mayor of Saguenay criticized the Bloc member for not supporting Bill C-9, when the regions, it so happens, need that bill. They need it, they shout out their needs in that regard. My region wants Bill C-9.

I am quite willing to live in the past, as the Bloc takes pleasure in doing regularly, but I feel we have to look ahead and it is up to us, in this Chamber, to work to ensure that the regions of Quebec get their share relative to their needs.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, I want to thank the member for her speech.

[*English*]

In that we are talking about enterprise and innovation I would like to quote one of Canada's greatest entrepreneurs. Frank Stronach once said that the government cannot give us anything without first taking it away. It is impossible for government to create economic activity on the one hand without taking away economic activity on the other.

For these dollars to flow into the regional development programs that the hon. member supports, those dollars first have to be taken out of someone's pocket. In so doing, it kills jobs just as much as it creates them.

It is impossible to deny. When more tax burden is forced on small businesses by taxing them to pay for these kinds of programs, the government is in fact killing jobs at that small business.

If the government were really interested in creating economic wealth, if it were really interested in promoting innovation and technology, why would the government not eliminate the capital gains tax and let investors invest their dollars in the way they want to create real wealth in the economy? Why not make it easier for entrepreneurs to raise capital and therefore create jobs?

Instead the government raises roughly \$4 billion a year off the backs of entrepreneurs, kills investment, shuts people out of the marketplace, makes it more difficult for small firms that are issuing IPOs to raise capital, just so it can take that \$4 billion and have 100% control over the way in which it is spent. That is what we are really talking about here today.

The question is why would the government do such a thing? The answer is the government wants to have control over where money flows. The government wants to reward its friends. The government wants to pick winners over losers, punish success, reward failure and waste a lot of tax dollars at the same time.

Why not just cut the capital gains tax so that investors can create real wealth with their own money instead of having government intervene on their behalf?

[*Translation*]

**Ms. Françoise Boivin:** Madam Speaker, I wonder what planet we both live on. Seriously, I cannot believe what the member is saying.

But I am not surprised. Day after day in this House, I am increasingly aware of the gap between our party and the Conservative Party of Canada. They obviously want to withdraw from any aid to businesses. We talk about small and medium size

enterprises, which often drive the Canadian economy, as has been proven. The Conservatives want to take everything away from these people and give it back to the taxpayers. It may be a praiseworthy idea, but, if there are no businesses, if our regions are not strong, taxpayers might have more money in their hands but at one point, they will not have jobs anymore. This helps create employment.

A person really has to come from another planet to always be thinking about cutting taxes on capital and aid to businesses. This is the true face of our friends across the way.

● (1735)

[*English*]

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Madam Speaker, I want to make a comment with respect to the answer I heard from the member.

There is a clear difference between members on this side and members on that side. Members on this side believe in property rights. Members on that side do not believe in property rights. Members on this side understand what free enterprise is and its ability to create wealth and drive the economy. Members on that side of the House do not understand that. They believe in centralized state planning, that the hands of government should be involved in everything.

Quite frankly, we drive a lot of people out of this country into other countries who have very good ideas and are entrepreneurs. Right down the line we send them to other countries because of very bad tax policy and so on.

If this country had the proper business environment, we would not need the Liberal government. Businesses would create all sorts of opportunities in this society without the government trying to fill the gap.

I am glad the member raised that point. There are some clear differences between the party on this side and the party on that side of the House. I think we are a lot closer to Canadian values than that group is.

**Ms. Françoise Boivin:** Madam Speaker, my answer to the hon. member is that sadly, on June 28 the people of Canada must not have read him correctly.

**Mr. Pierre Poilievre:** Madam Speaker, the hon. member is correct. The people did read this party correctly and that is why 64% of Canadians voted against the Liberal Party in the last election.

The Canadian people understand that their money is just that; it is their money. They can invest and spend their money more intelligently than a politician or a bureaucrat can. That is the philosophy of this party. We believe that a dollar in the hands of the person who earned it will always be better spent than the dollar in the hands of the bureaucrat or the politician who taxed it.

*Government Orders*

That is the essential difference between that party and this one. It is a big philosophical difference. I am not surprised that she does not recognize that change, because she is part of a political tradition that says people are not smart enough to spend and invest their own money; that the wise state ought to step in and slide its hand surreptitiously into the pockets of the taxpayers and spend that money for them. That is the essential difference between that side and this side.

Why does the hon. member not now admit that she does not trust any investors or entrepreneurs to take care of their own affairs? Why does she not just admit it?

**Ms. Françoise Boivin:** Madam Speaker, I would tend to agree with my esteemed colleague but prior to 1993, I would have been very scared to leave the money in the hands of the government, believe me. But after 1993, with this government, I am sorry to have to say to the other side that we are doing a great job. That is why we keep on being re-elected and that is why when he mentioned 64%, it made me laugh. It is because he puts the three parties who do not agree on these matters. That is as brief as my response can be.

• (1740)

[*Translation*]

**Mr. Sébastien Gagnon (Jonquière—Alma, BQ):** Madam Speaker, first, I would like to indicate that the Bloc Québécois and I oppose Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec. I would like to say that I am not questioning the competence of the civil servants who work for economic development in Quebec and with whom I have very good relations and who are generally doing a good job.

However, in the regions of Quebec, such as my riding and my region, Saguenay-Lac-Saint-Jean, there are big problems. We know very well that the solution to all these problems is not the establishment of a new structure, the Economic Development Agency of Canada for the Regions of Quebec. Problems such as employment insurance, the softwood lumber crisis, the mad cow crisis, job cuts for civil servants in the regions, Nav Canada, the RCMP and many others are rampant in the regions of Quebec. The solution or solutions proposed by the government are unfortunately completely at odds with reality.

Bill C-9 does not offer anything concrete to the Quebec regions, contrary to what my colleague opposite might think. There is no new money. The minister even says in his bill, and he mentions it on the Canada Economic Development web site, that this legislation does not make any changes to the agency's role. Furthermore, the agency's existing programs will remain in place.

The Act will have no impact on the Agency's present programs or clientele in the immediate future.

It is simply a new structure, a new minister, a new limousine.

I would remind the House—and this important—that this bill not only does not offer anything to Quebec, but the regions of Quebec that are most affected by it will be penalized. Let me again provide the House with some information. The terms of reference of the current Economic Development Agency of Canada for the Regions of Quebec are as follows:

To promote the long-term economic development of the regions of Quebec, paying attention to those slow economic growth and inadequate employment.

Yet, in this bill, the new object of the agency is as follows:

The object of the Agency is to promote the development and diversification of the economy of the regions of Quebec through policy, program and project development and implementation... and provision of services.

And it goes on. Nowhere is there any mention of the agency's original mandate, which was to give particular attention to those regions with slow economic growth. Consequently, for my region of Saguenay-Lac-Saint-Jean that today is faced with the softwood lumber crisis and the mad cow situation, it is a step backwards.

Of course, the minister mentions in the bill what he calls designated areas. It reads as follows:

6. (1) The Minister may, by order, establish as a designated area, for the period set out in the order, any area in Quebec where, in the opinion of the Minister, exceptional circumstances—

What this government is telling us is simply that, subject to the goodwill of the people on the other side, it will be able, if it wants to, to help my region, or help another region. If it does not want to, it will not do so. So I think that right now, this bill not only proposes nothing, it is actually a step backwards for Quebec regions.

Moreover, in this bill, the government is talking about an “integrated federal approach” for the development of Quebec regions. While the regions do need an integrated development approach, it is Quebec itself and the local representatives that are better positioned to implement one in a more efficient manner.

According to the Constitution, Quebec has responsibility for most matters relating to the development of the regions. Such a strategy must, therefore, include elements as important as natural resources, education, training, municipal affairs, land use, and infrastructure, all things that are no business of this government.

The solution to this would be implementation of the one-stop concept. At the present time, neither Quebec nor Ottawa injects enough resources to ensure regional development. There are two governments each involved in partial development, and this gives partial results. Not only is there insufficient investment by both levels of government, but what is invested is not even complementary. Their priorities are not even the same, although this should be basic. I have already pointed out some problems related to this.

It is therefore important to state that this inaction, this problem, has resulted in high unemployment rates in recent years, 2003 in particular. The figure for Gaspésie and Îles-de-la-Madeleine was around 17.5%, for Saguenay-Lac-Saint-Jean, 12%, and 13.7% for Côte-Nord, 10% for Mauricie and Bas-Saint-Laurent.

• (1745)

If Ottawa suddenly decides to show an interest in the regions of Quebec, let it start by looking after its own responsibilities and its own jurisdictions.

The federal government's actions toward the regions of Quebec can be summed up in two words: disinterest and abandonment.

Rather than creating a new structure, what the Bloc Québécois is calling on this government to do is to take the regions into consideration within its own sphere of activities, or in other words respect Quebec's jurisdiction and its responsibilities to orchestrate the bulk of activities relating to regional development; respect local coalitions; adapt federal programs to regional realities; contribute to deconcentrating the federal public service; return federal capital expenditures to an acceptable level; support the introduction of a new infrastructure program; raise the regional development budget of Quebec to the same level as in the Maritimes; put an end to the scattergun approach of sprinkling largesse here and there for the purposes of visibility, which so often characterizes federal actions; support employment insurance reform that meets the needs of the regions.

As for the sums allocated to Economic Development Canada, these should be transferred to Quebec.

The Government of Quebec already has a policy on regional development and decentralization of powers. I stress the latter: decentralization of powers relating to regional development. Who better suited to develop a region than the local elected representatives?

What it lacks, however, is the financial means to implement its policy and properly support the many initiatives emerging from all the regions of Quebec.

A sum of \$428 million that Ottawa plans to invest in Economic Development Canada this year would allow the implementation of an integrated development policy for the regions and would address many problems to the great satisfaction of the regions of Quebec, which are only waiting to take charge of their own destiny.

The establishment of a federal department would only perpetuate the well-known counterproductive duplication. The regions need help, not fighting between Quebec and Ottawa.

Of course, in the name of visibility, the government refuses to give Quebec the right to opt out of federal programs with full compensation. It is only too clear that the talk of asymmetry was short-lived. On the other hand, the Bloc Québécois is suggesting, for regional development, the same approach as the one used for the infrastructure program where Quebec selects projects jointly with the federal government.

The Bloc Québécois is against politicizing the development of our regions. A regional development minister would be tempted to intervene directly in the selection of projects, when it should be up to local elected representatives to decide on priorities. Consequently, the appointment of a federal minister of regional development would risk further politicizing the intervention of the federal government in the regions and multiply its visibility operations.

After the flag giveaway, after sponsorships, the creation of this new structure is not a new way to give back to the Liberals the presence that they lost in the Quebec regions since Quebeckers sent them packing on June 28.

Yet, the election message was clear: Quebeckers in regions will not be bought by a visibility operation. What they want is concrete, tangible action to be able to develop.

### *Government Orders*

Regions need development initiatives that will only be effective if they are integrated by only one government, the Government of Quebec.

We can look at the situation. Bill C-9 was modelled on the Atlantic Canada Opportunities Agency Act, commonly called ACOA, and on Western Economic Diversification, WED, which have had their own legislation since 1988.

Let us note that these two agencies do not duplicate the work of the provinces. We do not find a regional development department at the provincial level in the maritime provinces or in western Canada. This difference is extremely important. If some provinces want the federal government to provide services that they do not offer, that is fine. But that the federal government imposes such services where they are already provided is ridiculous and absolutely counterproductive to Quebec regions.

We ask that the federal government respect Quebec's jurisdictions. The bill specifies that the minister will be responsible for the establishment of cooperative relationships with Quebec and with business, labour and other public and private bodies in that province.

Let us say right away that the establishment of cooperative relationships with Quebec will only be possible if the federal government respects Quebec's jurisdictions.

As for cooperative relationships with other public and private bodies, we want to caution the government.

• (1750)

If, with this formula, it is thinking of the institutions that are under Quebec's jurisdiction, like educational institutions or municipalities, it should change its plans. The Quebec government has sole responsibility in this regard.

The Constitution gives Quebec control over most of the major issues of regional development, such as natural resources, education, training, municipal affairs, territorial settlement or most of the infrastructures.

In the interest of efficiency, the federal government has to transfer to Quebec the money that it spends on regional development.

An agreement has to be reached with the Quebec government to give Quebec the right to opt out with full compensation. Failing that, the infrastructure program model in which the Quebec government will select the projects could well be tailored to all the federal programs related to the regional development.

The regional consultation organizations also have to be respected. There is in the province a whole network of regional consultation organizations where the dynamic forces of a region are located. It is not by imposing a new structure that we will help them, but rather by allowing them to implement projects that they consider a priority.

After a summit where Quebec and its regions met, the regions targeted a number of priorities. Right now, they are striving to meet them. For example, in my region of Jonquière-Alma and Saguenay—Lac-Saint-Jean, everybody has agreed to create a regional intervention fund that would make it possible to work on capital and establish new businesses. The estimate for creating this fund is about \$700 million.

*Government Orders*

Quebec made a commitment to contribute to this fund. Private companies, such as Alcan, also made a commitment. The only government that will not participate or that has already indicated to our elected representatives its lack of involvement, is the government led by the party opposite.

Right now, some organizations are supported by Quebec only, like the local development centres, and the community investment funds they manage. Others are supported by both levels of government, like the CEDCs. And others are supported by the federal government, like the community futures development corporations, or CFDC.

The 14 CEDCs in Quebec are independent entities and they are jointly financed by Quebec, Ottawa and the municipalities. Since they have to meet an increasing demand, they are asking the federal government to boost its financial contribution and help set up a fund to start up private or collective businesses.

During the latest election campaign, the Bloc Québécois considered that request perfectly reasonable and supported CEDCs in their dealings with the federal government.

In recent years, CFDCs contributed to Quebec's economic development. Their contribution has been appreciated, especially in those instances where they were able to escape the politicization the Liberal government had in mind for them. The creation of a new minister can only increase such politicization and diminish their efficiency.

CFDCs must be managed by and for the local communities. Managers must therefore be given a lot more flexibility, so that the help CFDCs provide meets the real needs of the communities they serve.

The Bloc Québécois feels that the CFDCs' expertise will be put to better use if they work through regional cooperation forums instead of being forced, as is often the case now, to operate on their own and to stick with federal priorities.

If the government does not allow Quebec to opt out, the Bloc Québécois will insist on more flexibility for CFDCs, to allow them to better respond to the needs of the communities they serve. Federal programs must be tailored to the needs of the regions they serve.

Federal programs are often developed with large cities in mind—

**The Acting Speaker (Hon. Jean Augustine):** The hon. member for Nepean—Carleton, for a question or a comment.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Madam Speaker, first, I want to thank the hon. member for his speech. He talked about provincial jurisdictions. I wonder if he is as concerned about the individual's role.

In economics, there are several schools of thought. I believe individuals create opportunities through their business activities. I want to ask the member the following question. Who will reduce unemployment, improve the economy and create jobs, the government or the businesses and the individuals?

• (1755)

**Mr. Sébastien Gagnon:** Madam Speaker, I want to thank my hon. colleague for his question.

First, I would like to provide a brief historical overview. In the 1960s and the 1970s, the money went to the larger cities. We had a number of very impressive infrastructure projects, like the Olympic stadium and the road system. Nowadays, because of globalization, businesses produce twice as much but create half as many jobs.

For example, the Lac-Saint-Jean area is currently faced with huge problems. Three of the six main commodity exporters are located in our area and are currently affected by the various crises: the softwood lumber dispute, the employability issue and the mad cow disease crisis. What we need to do is to use government money to provide financial assistance to these communities. We have to support and create programs based on the needs of the people.

We want jobs. The government has the obligation to use its money to support development, but in a cohesive manner, by going through Quebec and respecting the will of the region, its consensus and its own vision for its development.

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Madam Speaker, first I would like to congratulate my colleague from Jonquière—Alma on his presentation. I will have a question for him after my comments.

I believe every Bloc Québécois member has concerns regarding Bill C-9 for a very simple and specific reason. As usual, the government is ignoring Quebec's fields of exclusive jurisdiction. In my riding of Mégantic—L'Érable, we have huge resources, but we also have problems with our resources.

For example, in the maple syrup industry, an important one, we are experiencing problems with exports, surpluses, job creation and processing. It is the same thing with regard to softwood lumber as my colleague from Haute-Gaspésie—La Mitis—Matane—Matapédia mentioned earlier. The problem cannot be solved.

We will see another tragedy at the end of the week: an asbestos mine will shut down and 455 workers will be laid off indefinitely.

The question we might ask is this: will this agency solve problems in my area? Not at all. Once again there is no integrated strategy, in coordination with Quebec. So long as this attitude prevails, the problems will not be solved. Some members are saying that some of Quebec powers are not even in the Constitution. However, the Constitution gives Quebec authority over most regional development issues. That is very important for the future.

*Government Orders*

I would like to put a question to my colleague. Instead of doubling the department, should the federal government not first improve its programs and, second, give the money—around \$500 million a year—to Quebec, since Quebec has its own regional development policy? In my view, that would be more beneficial to the regions and their economic development.

**Mr. Sébastien Gagnon:** Madam Speaker, I thank my colleague for his question.

Let us make clear that this bill in no way changes the current situation, on the contrary. I have explained it clearly, there is a setback for regions that are severely affected by various crises and problems.

The overlap has quite significant repercussions on interventions. As a result, the federal government, currently, will use strategies to position itself, to the detriment of certain regional issues, due to the visibility strategy.

What would be important is for this money to be sent to Quebec City. There are local development authorities, structures that allow for regional development, in particular the CRE, the regional conference of elected officials in the territory, to which other regional forums contribute, notably the CLDs.

What is required is a single window in order to integrate the strategies into a single Quebec policy on developing its regions. This is true for the Quebec government and for each region, because the strategies of each differ.

By way of example, my colleague has various sources of industry, my other colleague from Gaspésie—Îles-de-la-Madeleine has fisheries in his area. In our region, it is lumber and agriculture. Hence, elected officials must have a full array of means at their disposal in order to develop themselves, these means being power and legislation, but also financial powers.

• (1800)

[*English*]

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Madam Speaker, I would like to raise an issue with the member from the Bloc where the federal government did cooperate fully with the provincial PQ government a few years back to create jobs in an area of high unemployment, the Gaspé area. Together, I think they pumped about \$300 million to \$400 million into a paper mill called Gaspésia, which is now in creditor protection, \$700 million in total cost. A whole bunch of contractors and workers were left holding the bag in that province because the federal Liberals and the PQ government got together in a high unemployment area where the government would solve the unemployment problem.

The only people who will have any long term employment out of this project will be the lawyers who will be suing both levels of government to collect damages for contractors and other people.

I would like the member to comment on this disastrous alliance between the PQ government that was in power and the federal Liberals with their intervention to solve an unemployment problem which they have not solved. There will not be any employment out of that plant. The plant is not even close to being opened. All we have is taxpayers in Quebec and outside of Quebec holding the bag

for a whole lot of money that has been flushed down the toilet, so to speak.

[*Translation*]

**Mr. Sébastien Gagnon:** Madam Speaker, first, I would like to invite my colleague to maybe ask a question of members affected by this regional issue. I do know all the details. However, everything is not negative; some good things have happened that have gone beyond the merely local.

In my region, we are affected by serious crises, such as the softwood lumber dispute. To solve this problem, the government only had to give not grants, but loan guarantees to businesses to help them modernize their equipment, during the settlement of the dispute with the United States. The same thing could have been done with respect to mad cow disease. Recently, a farmer in our region got 7 cents for a 2,000 pound cow worth, at the very least, close to \$1,000.

This problem will not be solved unless the Liberal government does something. What we need is programs. We have equalization payments and other ways to help communities that are having trouble. This is the whole idea of democracy and of paying taxes and putting them in a big pot to help these communities.

**Mr. Roger Gaudet (Montcalm, BQ):** Madam Speaker, I only wanted to ask a short question. Today, during oral question period, we talked about Mirabel. I see that the Liberals opposite created Mirabel to the advantage of Toronto's Lester B. Pearson airport. Now, we have a beautiful airport named PET, short for Pierre Elliott Trudeau.

I would like to know if the member thinks that the Liberals across the way are really capable of regional development in Quebec. That is the question I am asking myself. Up to now, they have proven that they are incapable of such development. All they have created, they have turned around and destroyed. Whether airports or General Motors, everything they have given Quebec, they have then taken away. I would like to hear the view of my colleague for Jonquière—Alma in this regard.

**Mr. Sébastien Gagnon:** Madam Speaker, what I find peculiar is that this government sets its priorities for regions and that there is a consensus, but that it cannot adhere to it. A while ago, I was giving the example of the regional investment fund which our region would have needed. Once again the Liberals have missed the opportunity. Now, with BSE for example, they do nothing. The same attitude prevails about employment insurance, which is much needed. We have lost millions of dollars. This is disastrous for our region.

Once again, the government comes up short, in spite of the numerous promises it has made.

• (1805)

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Madam Speaker, I am pleased to rise today in this House to speak to Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec.

*Government Orders*

Our government has set itself the objective of ensuring the success of Canadians in each and every region of our country. Its intention is to support our fellow citizens, as far as is possible, in the realization of their aspirations for prosperity and an enhanced quality of life. This is the context within which the Economic Development Agency of Canada fulfills its mandate to promote the economic development of the regions of Quebec. To that end, it pays particular attention to all the regions of Quebec, especially those with a slower growth rate and insufficient jobs for the size of their population.

In my capacity as a member of Parliament, I have had the opportunity to see for myself the work done by the agency to ensure the regional economic development of Quebec and improve its residents' quality of life. The agency has, for instance, made the financial commitment to provide over \$1.02 billion for 2,116 projects during 2003-04. When investments from other funding bodies are factored in, the total value of these projects represents an injection of over \$3.9 billion into the economy of the various regions of Quebec.

What is more, these projects have contributed to the creation, conversion or maintenance of close to 13,700 jobs in all of the regions of Quebec, regions such as Chaudière-Appalaches, where \$60,000 from Canada Economic Development has enabled Soliroc Metal to enhance its productivity. With this financial assistance, the company was able to acquire more efficient equipment, and as a result to raise its productivity by 60%. This is one example of the kind of projects Canada Economic Development has supported, which have highly positive economic spinoffs for the competitive position of a company, thereby enabling it not only to continue to grow, but also to play a vital role within its community.

In the Quebec City area, the National Optics Institute received a \$3.6 million contribution from Canada Economic Development to implement a research program in agrophotonics. The purpose of this research campaign is to bring together two major areas of activity in the region, namely agro-processing and optics-photonics technologies. Canada Economic Development wanted to support this regional initiative because it consolidates the institute's leading position in the industry and paves the way for various economic development projects in many regions of Quebec.

In the Lower St. Lawrence region, a marine biotechnology research centre was set up with a contribution of \$7.6 million from Canada Economic Development. To carry out its work, the centre plans to create 24 direct jobs and 75 spin-off jobs. In addition, the centre's activities will bring top researchers to the region as well as new companies. I should add that these research facilities are a priority for the people of the Lower St. Lawrence region.

That is why Canada Economic Development wanted to be involved in carrying out this project as part of its commitment to support initiatives that best respond to the needs of the public and that build on a region's strengths. In turn, such projects help fulfil economic development opportunities in the regions that welcome them and elsewhere in Quebec.

These examples are representative of what Canada Economic Development does. They also show how important promotion and innovation throughout Quebec is to the agency. This priority stems from our government's commitment to building the robust and

innovative economy that we all want for our country in the 21st century. In addition, the projects I mentioned illustrate Canada Economic Development's goal, which is to strengthen the niches of excellence specific to each region of Quebec. In all, in 2003-04, the agency invested \$54.6 million in 739 innovative projects in Quebec. These investments have led to the creation, transformation or maintenance of 4,796 jobs. Furthermore, even the promoters have said that, without the financial support of Canada Economic Development, 55% of the projects would never have materialized.

• (1810)

In an effort to facilitate a culture of innovation in Quebec regions, Economic Development Canada and Agriculture and Agri-food Canada granted \$3.6 million to the Université du Québec en Abitibi-Témiscamingue for its participation in an important research project on the development of a new kind of beef that could meet increased consumer demands.

Again, I would like to specify that the achievement of this project is the product of the desire of the region's researchers and cattle producers. This initiative should not only consolidate 34 jobs but also increase the earnings of companies in this area by 15% to 20%.

As I said earlier, the Economic Development Agency of Canada for the Regions of Quebec also helps communities to take control of their own development by focusing on their assets. The agency tries to facilitate public interest initiatives that could have major regional impacts and create significant snowball effects on regional economic activities. The agency works with a network of collaborators comprised of the 57 Community Futures Development Corporations, the 15 Community Economic Development Corporations and the 9 Business Development Centres.

During budget year 2002-2003, projects that were granted loans by CFDCs generated investments of \$135 million in the regions. The loans amounted to \$45 millions. The nine BDCs participated in 222 investment projects and 570 technical assistance projects.

It is in the context of the partnership between Economic Development Canada and the CFDC network in Quebec that AFER, Aide aux femmes entrepreneures en milieu rural, was implemented. This pilot project involved establishing a fund to promote women entrepreneurship in rural areas. The 12 CFDCs participating in the initiative represent the following regions: Gaspésie—Îles-de-la-Madeleine, Bas-Saint-Laurent, Abitibi-Témiscamingue, Côte-Nord, Saguenay, Mauricie, Chaudière-Appalaches and Montérégie. To date, the AFER program has made it possible to help 93 businesswomen; 31 businesses were started; and 60 jobs were created in various regions of Quebec.



*Government Orders*

The AFER Canada fund is consistent with the Government of Canada's commitment to promote greater involvement of women in the economy of all Quebec regions and initiatives to diversify development opportunities in various Quebec communities.

As I said a moment ago, Economic Development Canada is involved in all Quebec regions.

**Mr. Réal Ménard (Hochelaga, BQ):** Madam Speaker, I would like to ask a question of my colleague, who also is a Montrealer, who is from this beautiful great region of Montreal, which is home to half the population of Québec.

There is a formula and an originality in Montreal in the area of regional development, which is related to the corporations for economic and community development. I think he has one in his riding. My riding includes the CDEST, the Corporation de développement de l'Est, with Thérèse Sainte-Marie, to whom I want to pay tribute. She is very involved in our community.

We know that corporations for economic and community development were created in the late 1980s, when extremely significant industrial changes were taking place. In the east, for example, Vickers, which was a shipyard, had shut its doors, like a number of labour-intensive industries.

It so happens that the federal government, over the past few months, has been somewhat reluctant with respect to permanent funding for the corporation for economic and community development. Development corporations receive more funding than do the corporations. Good for them. I know the good they do in the regions.

Nonetheless, I was wondering if we could count on our colleague to intercede with the minister in charge in order for the operating budgets of the corporations for economic and community development to be increased.

• (1815)

**Mr. Pablo Rodriguez:** Madam Speaker, I thank my colleague from the neighbouring riding of Hochelaga for his question. I too think it is clear that the development corporations have a very important role. That is what I said to my colleagues of the Quebec caucus and to my colleague the Minister of the Economic Development Agency of Canada. It is also clear that I will continue to support the development corporations' work and funding.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Madam Speaker, I really do not understand. The hon. member for Honoré-Mercier mentioned a few projects, I emphasize the words "few projects", that received assistance in our regions.

However, I want to give him a very specific example. In recent years, in my region, the right hand of the federal government has been unaware what the left hand was doing. While we were trying to promote employment in our regions, and we succeeded in the Gaspé, thanks to our will and to the help of governments, the federal government was eliminating jobs. It eliminated important and well-paying jobs in the public service. It also eliminated jobs in other areas, including in the transport sector.

Today, when we talk about the help provided by Economic Development Canada, we are not talking about subsidies; these are not donations. More often than not, they are loans. Earlier, we talked

about the assistance provided to the Gaspé. It is a loan, not a subsidy, that was granted. Moreover, contrary to what was said earlier, including by some Conservative members, the issue is still not completely settled.

I will give a very concrete example to the hon. member. In fact, his colleague sitting next to him will know exactly what I am talking about. The federal government is about to shut down the Cap-Chat camp for cadets, which creates 70 jobs. Yet, this is in an area where the unemployment rate is extremely high. Regional development should be based on structural projects, and this is such a project.

I could mention transport infrastructures. These are structural projects. Our roads should become highways, so that we can trade appropriately and be competitive. The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques is experiencing the same situation. Whether it is highway 195 or highway 132, there should be appropriate transport infrastructures, and the federal government should be present.

Today, and I will conclude on this note, the majority of Canada Post offices are located in convenience stores. If this is what the government calls regional development and structural projects, then I have a problem understanding it.

**Mr. Pablo Rodriguez:** Madam Speaker, at the beginning of his speech, my colleague was saying that the federal government was unaware of what the right hand was doing while the left hand was doing something else. I disagree with that.

The reality is that the hon. member would like to cut off both of our hands, in other words, to prevent the Canadian government from intervening in the regions. The fact that Economic Development Canada works so efficiently and that it helps the regions where needed may be a problem for our friends and colleagues of the Bloc Québécois, who want Quebec to withdraw from Canada.

Therefore, if we are successful in the regions, if we are contributing to the creation of jobs and if a presence of the federal government is relevant and deserving to be highlighted, this obviously goes against the ultimate objective of the Bloc, which is to separate Quebec from Canada.

With respect to the cadet camp, I have to say that no decision has been made so far. For the time being, the hon. member is crying wolf and is being an alarmist, but no decision has been made yet in this respect.

• (1820)

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, my question will be brief and straightforward. I will ask the member for Honoré-Mercier to append this \$1.5 million grant to the Université du Québec en Abitibi—Témiscamingue over the next three years to the long list that the minister responsible came to announce.

My question is very specific. Does he not believe that it may be relevant to invest in the regions, but only following a regional consensus? It is all very fine and well to have CFDCs, but when they will not even communicate with local development centres, there is a problem. That is what is happening in all regions of the province of Quebec, specially in Abitibi—Témiscamingue.

### Supply

I would ask the member for Honoré-Mercier to ask his neighbour if it would not be appropriate to work towards consensus on a regular basis, and, if need be, to organize working conferences to get the two bodies talking. That is the only way to achieve regional development, but this is not something the federal government acknowledges.

**Mr. Pablo Rodriguez:** Madam Speaker, I thank my colleague for his question. I want to reassure him; I speak regularly with my neighbour. He is a very good friend.

I would like to say that the development strategies of Canada Economic Development are implemented in cooperation with the community and are in fact established with the community. I myself have had the opportunity to see this regularly when I met with community stakeholders, like mayors or project developers, or even when I went to make announcements just recently. People from the community were there and applauded the effort of Canada Economic Development because it was relevant, necessary and based on a consensus within the community.

I would say that there is another clear consensus in Quebec. Perhaps the Bloc is the only one not to agree with this. However, the consensus is that this bill must be approved.

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Madam Speaker, I would like to remind something to our colleague from the other side, the member for Honoré-Mercier. He mentioned earlier that BDCs had invested money in 2002-03. As far as I know, BDCs were merged with CFCs in 1995 to create CFDCs.

In that sense, CFDCs, as well as CFCs at the time, are comprised of people from the community who make decisions about development in the community. Today, the Economic Development Agency that is proposed to us would eliminate all these types of intervention from people in the community. It would be the nanny state, the federal government, that would make decisions about regional development, as it would see fit.

Consequently, I ask the member for Honoré-Mercier what purpose would an economic agency serve for Quebec. There already is the Canada Economic Development which simply needs openness in its programs to help regions develop, without having to encroach upon provincial jurisdictions.

• (1825)

**Mr. Pablo Rodriguez:** Madam Speaker, I would say that the involvement of Canada Economic Development at the regional level is highly relevant.

I myself had the opportunity of seeing this last week. To answer the member's question, I could enumerate numerous initiatives where Canada Economic Development plays an important role in the various regions of Quebec. It responds to community needs and consultations. We have the support of mayors, stakeholders and developers.

Last week, for example, I went to La Macaza to make an announcement in support of the report project at that level. All the local stakeholders attended and clearly said that this bill was long overdue and that they are pleased with the involvement of Canada Economic Development.

This is one initiative, but there are many others. What is clear is that there is a consensus in Quebec for the agency to continue to play its role. I would appreciate it if the member would recognize that also.

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Madam Speaker, since this is my maiden speech, you will certainly bear with me if I thank the electors in my riding of Abitibi—Baie-James—Nunavik—Eeyou for the trust they put in me. This is a riding that adopted me in 1954, perhaps unknowingly, but I have to say I have always been welcome and well considered.

These people are hard-working, dynamic, and resourceful. Their only handicap is the lack of vision of the various levels of government, since Quebec does not have enough money and wants to concentrate its assets in bigger cities to compete with federal investments in English-speaking Canadian provinces. For example, in 2002-2003, the western Canada economy, which represents 16.8% of the Canadian population, received \$267 million, and the Atlantic provinces, with 7.3% of the population received \$361 million, but Quebec, with 24%, received only \$327 million, even if the squandered funds of the sponsorship program are taken into account.

Again, these figures do not give an appropriate picture of the redistribution of Canadian wealth. Let us remember the auto pact, implemented with an exaggerated fervour, which made Ontario the wealthiest and most privileged province in the Confederation. By the way, that was what prompted Pierre Elliott Trudeau to declare, in the case of Volkswagen, a car maker which Quebec was trying to woo, that the auto industry was Ontario's prize and that Quebec's was aeronautics. It should be recalled that Quebec offered Volkswagen substantial assistance for it to set up shop there and that PET, on behalf of the federal government, had more than doubled that offer, on the condition that Volkswagen set up shop in Ontario.

We should also point out that 25% of that amount came from the wallets of the people of Quebec. That was structuring aid which probably has not been included in the expenditures of Canada Economic Development.

When this government subsidizes nuclear and thermal energy in Ontario, it is structuring and polluting. When the government subsidizes GM for it to shut down its only plant in Quebec and open it in Ontario, a plant which, by the way, was preparing to make auto parts with raw materials from Quebec, this is structuring for Ontario—

**The Acting Speaker (Hon. Jean Augustine):** I am sorry to interrupt the member, but he will have 17 minutes left to finish his speech next time.

\* \* \*

[English]

### SUPPLY

#### OPPOSITION MOTION—NATURAL RESOURCES

The House resumed from November 4 consideration of the motion.

**The Acting Speaker (Ms. Jean Augustine):** It being 6:30 p.m., the House will now proceed to the taking of the deferred recorded division on the opposition motion of the hon. member for Calgary Southwest relating to the business of supply.

Call in the members.

● (1830)

(The House divided on the motion, which was negated on the following division:)

*(Division No. 10)*

**YEAS**

Members

Abbott	Ablonczy
Allison	Ambrose
Anders	Angus
Batters	Bezan
Blaikie	Breitreuz
Broadbent	Brown (Leeds—Grenville)
Cadman	Carrie
Casey	Casson
Chatters	Chong
Christopherson	Comartin
Crowder	Cullen (Skeena—Bulkley Valley)
Davies	Day
Desjarlais	Devolin
Doyle	Duncan
Epp	Finley
Fitzpatrick	Fletcher
Forseth	Gallant
Godin	Goldring
Goodyear	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guergis
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffer	Johnston
Julian	Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)	Komarnicki
Kramp (Prince Edward—Hastings)	Lauzon
Layton	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Mark	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Matthews	McDonough
Menzies	Merrifield
Miller	Mills
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Nicholson	O'Connor
Obhrai	Oda
Pallister	Penson
Poillievre	Prentice
Preston	Rajotte
Reid	Reynolds
Ritz	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Siksay	Simms
Skelton	Smith (Kildonan—St. Paul)
Solberg	Sorenson
Stoffer	Stronach
Thompson (Wild Rose)	Tilson
Toews	Trost
Tweed	Van Loan
Vellacott	Warawa
Wasylcia-Leis	Watson
Williams	Yelich— 110

**NAYS**

Members

Adams Alcock

Anderson (Victoria)  
Bagnell  
Bakopanos  
Beaumier  
Bell  
Bevilacqua  
Boire  
Bonin  
Boshcoff  
Boulianne  
Bradshaw  
Brown (Oakville)  
Bulte  
Cardin  
Catterall  
Chan  
Coderre  
Cotler  
Cullen (Etobicoke North)  
D'Amours  
Dhalla  
Dosanjh  
Dryden  
Easter  
Emerson  
Faille  
Fontana  
Fry  
Gagnon (Jonquière—Alma)  
Gaudet  
Godbout  
Goodale  
Guarnieri  
Holland  
Jennings  
Karetak-Lindell  
Khan  
Laframboise  
Lapierre (Lévis—Bellechasse)  
LeBlanc  
Lemay  
Lévesque  
Loubier  
Macklin  
Maloney  
Marleau  
Martin (LaSalle—Émard)  
McGuinty  
McKay (Scarborough—Guildwood)  
McTeague  
Minna  
Murphy  
Neville  
Owen  
Paquette  
Patry  
Pettigrew  
Picard (Drummond)  
Poirier-Rivard  
Proulx  
Redman  
Robillard  
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**The Speaker:** I declare the motion lost.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1905)

[English]

### TAXATION

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, on June 6, Bishop Henry, in a pastoral letter, stated:

In much of the secular media [the] Prime Minister... is frequently described as a 'devout Catholic'. However, his recently clarified position regarding... same sex [marriage] is a source of scandal in the Catholic community and reflects a fundamental moral incoherence.

Bishop Henry states that in response to that letter he received a call from a federal tax collector in Ottawa and was advised that the Catholic church could lose its charitable status if he continued to challenge the Prime Minister on such issues.

In August, representatives of the Catholic church and the evangelical movement met with officials of the Canadian Revenue Agency to discuss their charitable status. To some representatives the message was very clear: shut up during elections or lose their charitable status. Freedom of speech, freedom of religion and freedom of the press are the most essential elements of a free and democratic society. These are freedoms that are so important that the designers of the charter itself, Pierre Trudeau and 10 premiers, called them fundamental freedoms. Those are the most important points of the charter.

There will always be individuals who disagree with other people's points of view. Unless these people are advocating criminal actions by somebody else or encouraging people to commit criminal actions, my view is that they have a perfect right to express their views in a free and democratic society.

It is however very disturbing when government uses the machinery of government, the powers of the state, to muzzle and shut down our most fundamental freedoms.

In recent times the Liberals shut down a radio station in Quebec because I think they thought it was too right of centre. The Liberal government has decided in its wisdom that the Fox news network cannot be in Canada because it is too conservative. We have even heard members on the opposite side say that Don Cherry should be fired from CBC, or at least censored, because they do not like his points of view. If freedom of speech and freedom of religion mean anything we have to accept other points of view even if we disagree with them.

We will be talking a lot about this on privilege. As members of Parliament, we like to say that we have the widest latitude of freedom of speech that anyone can have. When the issue comes up with Mr. Guité and other people, we will all slap ourselves on the back and say that freedom of speech is really an important issue and something we all have to stand in the House and defend. However the Liberal government, through its agencies, goes around intimidating and harassing Canadian citizens for doing something that they have a right to do, which is to express their religious beliefs and their beliefs on issues of the day.

I take this issue very seriously. Freedom of religion and freedom of speech are very fragile concepts. If members do not believe me they should start reading some history books or start looking around at some of the other countries in the world. When the state gets directly involved in intimidating, threatening and challenging people's right to express their points of view, that is dangerous.

**Hon. John McCallum (Minister of National Revenue, Lib.):** Madam Speaker, I certainly agree with the hon. member regarding the importance of freedom of speech, but my contention is that is not at issue in this matter.

The hon. member has requested a more detailed answer to his question about partisan political activity by registered charities. As the hon. member knows, the Income Tax Act prohibits me from breaching the confidentiality of any taxpayer, but I would like to address the role of the Canada Revenue Agency in regulating charities.

I would like to remind the House that this is not about religious charities, but about all charities. The Canada Revenue Agency is mandated to regulate certain aspects of charities and does so using rules based in law that are applied consistently and fairly to all charities across this country.

We know that the great majority of charities will conduct their activities within the law when they fully understand it. It is the job of the officials of the Canada Revenue Agency to help charities understand the rules so that they can easily comply. It is common practice for our officials to be proactive in dealing with registered charities and to provide guidance and assistance in helping them comply with the law.

Outreach and education are important and our guidance on the rules about political activities is particularly helpful at election time. In our experience this assistance, which has been extended to organizations on all aspects of various issues, has been welcome.

We are sometimes called upon to discuss the issue of partisan political activities with charities. This can happen after receipt of a complaint or when an official notices that the rules are being pushed. In these cases, we always try to understand what the charity is trying to achieve and what it is planning on doing in the near future. We then ensure the charity understands the rules and its obligations under the act with respect to partisan political activities.

*Adjournment Proceedings*

The CRA regulates 80,000 registered charities. Some five and a half million Canadians directly support the work of charities by donating over \$5.8 billion to them each year, contributing to the social fabric of our nation. We encourage Canadians to take advantage of the information available to the public on the CRA charities website in order to help them understand the rules that regulate all Canadian charities.

● (1910)

**Mr. Brian Fitzpatrick:** Madam Speaker, it is interesting that the state is re-educating our citizens and what their limits are on freedom of speech. Freedom of speech and religion mean nothing if the state is going to actively decide what is acceptable and what is not.

The strength of this nation is not the member across the way. It is not this institution. It is not the Liberal Party of Canada or its so-called monopoly on values. The backbone of this country is the high level of personal freedom and liberty we have. That is the backbone of Canada as a nation. That is what our veterans put their lives on the line for in two world wars. It is very dangerous for the state to be telling people what they can say and what they cannot say.

Men and ladies of the cloth deal with moral issues on a day to day basis, whether one is talking about war, family, marriage, just name it. They speak to these issues all the time because that is the nature of their occupation. It is really wrong that the state during an election campaign could tell people of the cloth to shut up, that they cannot speak on these issues during an election and to close down their churches or religion during the election period because the state does not like what they have to say on moral issues during an election campaign. That is wrong.

**Hon. John McCallum:** Madam Speaker, that would be wrong, but that is not what happens. Indeed, the hon. member may have trouble understanding these rules, but the churches understand them.

In particular, I am referring to the Evangelical Fellowship of Canada, which has a document on its website entitled "Federal Election: Do's and Don'ts for Churches". Among other things, this document states. "A church may not endorse a particular candidate or political party, or use its resources to support a candidate or party". The document from the Evangelical Fellowship of Canada goes on to list the things that a church may do and the things that a church may not do if it wishes to retain its charitable status.

I would commend this document to the hon. member. It is a good example of the regulation of charities in a consistent and fair way across the country, a fact that has been recognized by the Evangelical Fellowship of Canada in issuing this document on its website.

● (1915)

## TAXATION

**Mr. Jeff Watson (Essex, CPC):** Madam Speaker, recently I rose in this chamber to ask why the Canada Revenue Agency was being allowed to threaten religious freedom in Canada.

There is a pattern emerging from the Liberal government. A religious organization, such as the United Church of Canada or the Metropolitan Community Church, that agrees with the government on a moral issue, for example, same sex marriage, is free to publicly support the government.

CRA guidelines for charitable activities, which I happen to have read and know because I have had some experience in this area, state:

A charity cannot be established with the aim of furthering or opposing the interests of a political party, elected representative, or candidate for public office

Not opposing, but furthering them, supporting them.

I do not want either the United Church of Canada or the Metropolitan Community Church to be called before the CRA and threatened for their charitable status. Their free speech should be preserved.

The pattern continues like this: A religious organization that disagrees with the Liberal government on a moral issue, same sex marriage, for example, is threatened by Canada Revenue Agency officials. Focus on the Family was threatened with an audit for criticizing this government.

The CCCB and the Evangelical Fellowship of Canada were suspiciously called into CRA offices just before the recent federal election and were warned not to oppose the Liberal position on same sex marriage. This was reaffirmed by the national revenue minister's own media relations officer. Recently, during the federal election, Catholic Bishop Frederick Henry was threatened to remove a teaching letter from his diocese's website or risk losing charitable status.

In response to my previous question, the hon. Minister for National Revenue stated in the chamber:

The only thing they cannot do as a registered charity is advocate for a political party or a political candidate in an election

I have the letter that was on Bishop Henry's website. I do not see anything here that advocates a cause for voting or not voting for a particular candidate or political party and yet he was threatened anyway. The minister owes us a much better answer than the first time around.

I will ask the minister again the same question. Why is the Prime Minister and the Minister for National Revenue permitting government agencies to attack and threaten religious freedom in Canada? Did this government direct the Canada Revenue Agency to threaten church groups?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Madam Speaker, in general terms I reject the charge, but the law, as I have said before, does not permit me to refer to any conversation or even to acknowledge that such a conversation did or did not take place.

The question posed is very similar to the previous one, so perhaps it would be useful if I provided my second answer in French.

[*Translation*]

Consequently, there have been concerns about the capacity of charitable organizations to register to engage in public debate.

*Adjournment Proceedings*

As the honourable members know, the Income Tax Act prohibits me from breaching the confidentiality of any taxpayer, so I am unable to address any concerns they may have with regards to specific organizations. I can, however, address the role of the Canada Revenue Agency in regulating charities.

I would like to remind the House that if the CRA is mandated to regulate certain aspects of charities, it does so using rules based in law that are applied consistently and fairly to all charities across this country. If the CRA is compelled to take action against a registered charity, it does so based on the actions of that charity, not on who that charity is or who it represents.

We have to be quite clear on this point. Neither the CRA nor the Government of Canada has the faintest intention of suppressing freedom of expression or freedom of speech. It is important for the honourable members to remember that registered charities enjoy significant benefits under the Income Tax Act. They are tax-exempt and able to issue official donation receipts to allow donors to claim tax relief for their donations.

In seeking and attaining registered charity status, these organizations have made a commitment and have an obligation to comply with the rules. In seeking to obtain the benefits of a charitable organization, tax exemption, the right to issue tax receipts to donors, allowing them to deduct the amount of their donations from their taxable income, churches and religious groups, which are in fact all organizations having obtained the status of registered charitable organizations, make certain commitments to Canadians.

That commitment in no way infringes on their freedom of speech or freedom of religion. The commitment is that the bulk of the funds that those organizations raise must be used for charitable purposes as defined by the law. I emphasize the word "law" because it is not up to the CRA or the Government of Canada to decide what is a charitable activity. The courts have been very clear on this. Political or religious activity is not considered by them to be a charitable activity.

• (1920)

[*English*]

**Mr. Jeff Watson:** Madam Speaker, it does not matter whether it is in French or English, it is still the same bad response, one that is sorely lacking. I know the guidelines quite well. I have been over them with churches before.

I will ask another question of the hon. minister. I hope that this time we will get a real answer, although I do not imagine we will. The same government that likes to talk about defending the rule of law likes as well to hide behind the law instead of giving a truthful answer.

Did Canada Revenue Agency officials, either before, during or after the recent federal election, call in and threaten the United Church of Canada or the Metropolitan Community Church for their support of the Liberal government position on same sex marriage or are there two sets of applying the law in Canada?

**Hon. John McCallum:** Madam Speaker, either the hon. member chooses not to listen or he really misses the point entirely. I have said several times that the law does not permit me to state whether even a conversation took place between the Canada Revenue Agency and

any church, whether it is the United Church or any other church. It would be a logical fallacy to assume that simply because one church states that a conversation occurred that no conversation occurred with other churches, because those other churches may have decided not to report such conversations.

In all such hypothetical conversations my lips are sealed, because I must obey the law. The law prohibits me not only from describing any such conversation but even from saying whether any conversation with any church ever took place.

NATIONAL DEFENCE

**Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC):** Madam Speaker, on October 8 I raised a question about oxygen generators aboard our Victoria class submarines, but that was not the first time I have raised it. I raised it in March in the House of Commons in regard to a dangerous situation with the submarines. Then I met with the previous minister of defence in his office at DND for a couple of hours to talk about the possibility of a dangerous situation in existence on our submarines. We went through an unsatisfactory condition report that was dated October 16, 2003, which was written by the captain of one of our submarines and stated that there was a dangerous situation on the subs with respect to these oxygen generators.

We did everything responsibly to try to bring to the minister's attention that there was a dangerous situation on the subs. I think we did it in the right way. I took the minister up on his invitation to come to his office at DND and we went through each sub, actually, and the condition and status of each sub.

We asked the minister directly about the oxygen generators. At the time we did not get an answer. What I wanted to know was whether the unsatisfactory condition report was followed up and whether the changes were made as was recommended in that unsatisfactory condition report. I did not get an answer. That was in April.

Now we are in October. On October 8, I asked again about it and in fact previous to October 8 I asked about this situation. Was the safety report followed? Did the government pay any attention at all to it? Of course I did not get an answer at the time, either in the House or anywhere else.

But then, after I asked the question many times, the Halifax *Chronicle-Herald* reporter dug around and did get an answer on whether the report was heeded or not. The headline in the *Herald* on October 14 says it all: "Sub safety order was ignored; Navy denies ammunition lockers played role in Chicoutimi fire". Obviously this was after the *Chicoutimi* fire, so that was the answer to my question. The safety orders were not complied with. The recommendation of the captain of a sub who said he had a dangerous situation in his boat was ignored. Then, of course, the navy denied that the ammunition lockers played a role in the *Chicoutimi* fire, but we found out a little later that in fact the oxygen generators did play a role in the fire.

*Adjournment Proceedings*

Going back to the Halifax *Herald* article of October 14, I would like the minister or the parliamentary secretary to answer this question. Why was the safety order ignored with respect to these oxygen generators?

• (1925)

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Madam Speaker, let me make something very clear. I know the hon. member knows this very well. By his own admission, he has spent quite a considerable amount of time at Department of National Defence headquarters, meeting not only with the minister but with other officials.

The government and, more important, the members of our defence forces would never put the lives of our sailor in danger. They would not send a sub out to sea if it were deemed in any way that it would pose harm or risk to lives of those sailors. That would never happen.

The member brought up the issue of the ammunition that was stored. What was very clear in the allegation was that the ammunition on board the Victoria class submarines was somehow not stored properly and that it was stored in a manner that could potentially ignite oxygen canisters and cause damage. It is a very good question, but the reality is the allegation proved to be absolutely false.

The department's design authority, in conjunction with the navy's technical authority on both coasts, investigated the issue of the location and storage of ammunition onboard our submarines. The storage of munitions was deemed to be within specifications. Most important, the location of the ammunition was deemed to be in a location that was safe.

I think that is the basis of the legitimate question the member asked. Are the munitions stored in a safe fashion and is there any relationship between the munitions and the oxygen canisters? Our military and navy, which do a superb job, have looked at this thoroughly and ascertained that this simply is not the case and that they are stored very safely.

It is also worthwhile noting that submarines are extremely complicated machines. Accidents do happen. However, when accidents happen, it is our responsibility and duty to get to the bottom of it very quickly. Indeed our defence forces do that right off the bat. That has happened in the tragic case of the *Chicoutimi*, notwithstanding the tragic death of Lieutenant Saunders. It is very clear that our navy acted in a responsible manner by immediately enacting the board of inquiry to look through all the issues surrounding the fire, identify causes, provide solutions and we will implement those solutions right away. The testimony to that is, as a precautionary measure, we put our navy subs at dock right away. That is a responsible thing to do.

Members of our navy and armed forces as well as the Minister of National Defence have acted responsibly from the beginning. I have been there from the beginning and I can tell members that all the information that we have received has been sent out immediately to the public and to members of the House. People were informed as closely and responsibly as we could. Members of the Department of National Defence have done exactly the same thing. They have acted

in a responsible and forthright fashion and that is a testament to the honour with which they carry out their duties.

• (1930)

**Mr. Bill Casey:** Madam Speaker, I want to point out to the parliamentary secretary that the allegations were made by the captain of the submarine *Victoria*. He suggested that the ammunition was not stored in compliance with ammunition regulations. He also said that the situation on the sub was unacceptable and it was a class-wide issue.

Perhaps the parliamentary secretary would commit to provide the report that overrules the statements of the captain of the *Victoria* on the unsatisfactory condition report. The parliamentary secretary said that they went over that and decided he was wrong. I would like to have a copy of the report that overrules the captain.

Another thing I wonder if the parliamentary secretary could help me with is this. On February 9 the Minister of National Defence said that the contract to refit the *Preserver* was scheduled to be completed on November 19, which is Friday. The contract is to be completed at a cost \$18,003,609, HST included.

Could the parliamentary secretary provide us with an answer now? Will the *Preserver* contract be completed on Friday? I know he had no notice this would happen. Perhaps he could commit to provide us with the answer if he does not know the answer.

**Hon. Keith Martin:** Naturally, Madam Speaker, I would be very happy to work with the member on any questions that he has on these or other issues. I also want to emphasize for the public, since the member did pose the question on the subs, that I think it is very important to listen to those who are the experts in this, and not us as politicians because we are not experts in military matters.

I sit on the defence committee and I can tell the hon. member that every single individual who has come in front of the defence committee has said that the submarines we purchased are excellent submarines. They are a great value and are very important for the operations of our military, the defence of Canada and of our sovereignty.

It would be absurd for Canada, a country that has the longest coastline in the world, not to have submarines when 40 other countries have them. We need those submarines. The department and the government made the right decision for the right reasons to purchase excellent submarines with excellent operational platforms for the betterment of our country. The subs were a good decision for the right reasons.

Again, I would be happy to work with the member on any questions he may have.

[Translation]

**The Acting Speaker (Hon. Jean Augustine):** The motion to adjourn the House is now deemed to have been adopted.

[English]

Accordingly this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:32 p.m.)





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