



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, May 9, 2007**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, May 9, 2007

The House met at 2 p.m.

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*Prayers*

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• (1405)

[English]

**The Speaker:** It being Wednesday, we will now have the singing of the national anthem led by the hon. parliamentary secretary to the government House leader.

[Members sang the national anthem]

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## STATEMENTS BY MEMBERS

[English]

### FERGUSON JENKINS

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Mr. Speaker, among other things, Chatham is known as the maple city. It is the site of the 1812 Battle of the Thames where the brave Chief Tecumseh died, and the end of the underground railroad. It is also the hometown of Fergie Jenkins.

Fergie pitched for several teams, including the Philadelphia Phillies, Texas Rangers, Boston Red Sox and Chicago Cubs. Over his lengthy career, he played 664 games and reached the 20-win mark 7 times. He is the first Canadian to be inducted into the baseball hall of fame in Cooperstown, New York.

Last Friday I was privileged to attend a ceremony at Rideau Hall where Fergie Jenkins was honoured by the Governor General, Michaëlle Jean, with the Order of Canada.

The people of Chatham are proud of their city and the people of Chatham are especially proud of their hometown hero, Fergie Jenkins.

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### NOVA SCOTIA LIBERAL PARTY

**Hon. Robert Thibault (West Nova, Lib.):** Mr. Speaker, on April 28, the Nova Scotia Liberal Party elected a new leader: Mr. Stephen McNeil, MLA for the riding of Annapolis.

Over 1,400 delegates gathered in Dartmouth and showed Nova Scotians that the Liberal Party is alive and well, and ready to tackle

the challenges of forming a strong, united alternative to the Conservatives.

Our party was fortunate to have three other strong contenders in the race: Diana Whalen, Mike Smith and Kenzie MacKinnon. These individuals should be commended for their strong performance and their commitment to the party and their province.

Stephen McNeil has stated that he is ready to support the work of our Nova Scotia MPs and stand up to this federal government to ensure that the people of Nova Scotia are provided with the same opportunities to meet their potential as other provinces and territories.

I wish to congratulate my friend Stephen McNeil and look forward to working with him in the future.

\* \* \*

[Translation]

### RICHARD FORTIER

**Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ):** Mr. Speaker, I am extremely pleased to highlight the work and exemplary community involvement of one of my constituents, Richard Fortier. He was named 2007 man of the year by the Salaberry-de-Valleyfield chamber of commerce on April 28.

Mr. Fortier was involved in the March 2007 Special Olympics in Salaberry-de-Valleyfield, and was also the honorary president of the 2007 fundraising campaign for the Fondation cardio-vasculaire. He has chaired the boards of directors of Carrefour jeunesse emploi, the Association du diabète and the Régates internationales de Valleyfield for seven years. The regatta is a very important event in our region, and is always a great success.

When Mr. Fortier gets involved in an organization, success is guaranteed. I would like to congratulate him on all his successes, but I also want to thank him for his time and dedication and for sharing his considerable talents with our community.

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[English]

### NATIONAL ELIZABETH FRY WEEK

**Mrs. Irene Mathysen (London—Fanshawe, NDP):** Mr. Speaker, this week marks National Elizabeth Fry Week. It is intended to enhance public awareness about the circumstances of victimized and criminalized women in the criminal justice system. Because the majority of women who are in our prison system are mothers, this week always precedes Mother's Day.

*Statements by Members*

Almost three-quarters of women serving federal sentences in Canada have a history of physical abuse and over half, sexual abuse. Aboriginal women represent 29% of the female prisoners despite making up only 2% of the greater population.

Many women in prisons have low literacy skill and 79% do not have a high school diploma. Globally, women are the fastest growing prison population.

This Mother's Day, I encourage everyone to think of the women across this great country who, due to sad circumstances, will not be with their families.

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**MULTIPLE SCLEROSIS**

**Mr. Ted Menzies (Macleod, CPC):** Mr. Speaker, multiple sclerosis is an unpredictable and, at times, disabling disease of the brain and spinal cord which affects Canadians from coast to coast to coast.

May is MS Awareness Month. I am honoured to kick off the 31st annual MS carnation campaign this year. Today, volunteers from the MS Society, and MPs representing each political party and I have been pinning carnations on members of Parliament to help raise awareness of MS for this campaign. It is a tradition that has been followed on Parliament Hill for many years now.

This weekend, volunteers in over 280 communities across Canada will be selling carnations to raise money for MS research and services for people with MS. In the past 31 years, the program has raised more than \$45 million for MS research and services.

I encourage all members of the House and all Canadians to join in supporting the MS Society to help make a difference for individuals and families living with this disease. Together, we can end it.

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• (1410)

**SENIORS**

**Ms. Ruby Dhalla (Brampton—Springdale, Lib.):** Mr. Speaker, the hard work, vision and commitment of our seniors has formed the foundation of our country and has contributed to our social fabric. The time has come for us to right a wrong that impacts thousands of seniors from immigrant groups.

Seniors who come to Canada from certain countries are eligible to receive old age security after three years, while seniors from other countries have to wait for a 10 year period, despite the fact that these benefits are not related to contributions. The Old Age Benefits Forum, the Chinese Canadian National Council, and many other senior groups have advocated in the interest of fairness and equality. Seniors belonging to different communities and nationalities, irrespective of their country of origin, must be given fairness and equality in terms of their treatment.

In 2005, the hon. Senator Terry Stratton, the then deputy leader of the opposition stated, "discrimination still exists". We as parliamentarians must put an end to this inequality and support Bill C-362, which will amend the Old Age Security Act to reduce the residency requirement from 10 years to 3 years.

**NATIONAL NURSING WEEK**

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, this week is National Nursing Week in Canada. Across the country medical professionals, as well as governments, are holding celebrations to honour the contributions that nurses are making to the health of Canadians.

This year the Canadian Nurses Association has chosen to celebrate National Nursing Week with the theme, "Think you know nursing? Take a closer look". This theme explores the depth of the nursing profession, including the role of nurses serving in the military.

As chairman of the Standing Committee on Health, I have had the opportunity to work with nurses who provide health care and I have benefited from the perspectives of nurses on public policy development and legislation.

In particular, I would like to extend a special appreciation to the Canadian Forces nurses who are courageously serving in Afghanistan and contributing to the global effort to bring peace, stability and development to this region.

On the occasion of National Nursing Week, I salute Canada's 260,000 registered nurses.

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[Translation]

**MUNICIPALITY OF L'ANGE-GARDIEN**

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, it is my honour to highlight, here in this House, the importance of Quebec's heritage. Take, for example, the municipality of L'Ange-Gardien.

Founded in 1633, the municipality is the third largest of the oldest parishes in Côte-de-Beaupré. For more than 370 years, the municipality's built heritage has been heavily influenced by the agricultural and forestry activities of its brave, warm and proud people. Visitors to the area will find buildings that tell the story of L'Ange-Gardien and the people who built it from the era of New France to the first world war, as well as the area's religious heritage in the form of two of the most magnificent processional chapels in Quebec, both of which have been classified as historic monuments.

Signs of Quebecers' rich history abound in this municipality, signs that must be protected for future generations to help us better understand the present and shape our future.

I would like to thank the residents of L'Ange-Gardien for protecting our rich culture and heritage.

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**OFFICIAL LANGUAGES**

**Mrs. Sylvie Boucher (Beauport—Limoulu, CPC):** Mr. Speaker, once again, I am proud to emphasize our government's steadfast commitment to linguistic duality and official language minority communities.

*Statements by Members*

In November 2005, we voted for amendments to the Official Languages Act. The Bloc voted against those amendments. French and English have equality of status and equal rights and privileges as to their use in all institutions of the Parliament and Government of Canada. We have produced a practical, innovative guide to help all 200 or so of these institutions fulfill their responsibilities with respect to the implementation of Part VII of the act. We want to highlight this initiative.

Now, more than ever, our government is committed to promoting the development of linguistic duality in a strong, prosperous, united Canada.

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[English]

**CANADA-U.S. BORDER**

**Mr. John Maloney (Welland, Lib.):** Mr. Speaker, the American government has unilaterally announced that it would not implement a much anticipated land pre-clearance pilot project at the Peace Bridge between Buffalo, New York and Fort Erie, Ontario after two years of high level discussions. The measure was a key part of the security and prosperity partnership to keep borders open to trade but closed to terrorists.

The shared border management pilot would have seen U.S. customs and immigration operations move to the Canadian side of the Peace Bridge. While these kinds of pre-clearance activities already take place with American officials working in Canadian airports, the Peace Bridge pilot would have been a first and significant step to ease congestion at land border crossings.

A successful pilot project would have been expanded to other crossings, easing traffic snarls that cost Canada some \$8 billion each year. The Peace Bridge is a major port of entry, with 1.3 million trucks and six million cars crossing annually. The expansion of this key international border crossing is long overdue and much hinged on a border pre-clearance agreement.

I implore the government to urge the United States to immediately reconsider its negative position. Shared border management is critical for U.S.-Canada commerce and, indeed, the entire North American economy.

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● (1415)

**DWIGHT WILSON**

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, today we mourn the loss of the remarkable veteran, Dwight Wilson.

Mr. Wilson was one of more than 600,000 brave Canadians who volunteered to serve our country during the first world war. At 106 years of age, he was also one of the only two known surviving Canadian veterans from World War I.

Dwight Wilson was only 15 years old when, like many of his peers, he doctored his age in an overwhelming desire to serve his country. This determination to defend the values we all cherish, to protect freedom, democracy and the rule of law, illustrates why his generation has been called Canada's greatest generation.

We must never forget such courage or the great sacrifices and achievements of all the brave men and women in uniform.

Today we extend our deepest sympathies to the family and friends of Dwight Wilson. We will always remember and honour a man who throughout his life remained as dedicated to Canada as when he wore his uniform.

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**GASOLINE PRICES**

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Mr. Speaker, one would think that the government would be concerned by the recent spike in gas prices. One would also think that the government would want to get to the bottom of the price gouging of consumers.

Yesterday, however, the Conservatives backtracked on the support they once gave to a committee report calling for these items and voted against a motion to investigate gas prices and to create a monitoring agency to ensure Canadians would know exactly why gas prices increase when they do.

Oil and gas companies are enjoying immense profits but consumers are facing increasing and volatile prices at the pump. Canadians deserve answers.

We know that reducing our dependence on fossil fuels, such as gasoline, and providing incentives to manufacturers and consumers to buy more fuel efficient cars, for example, is necessary. However, regardless of our aim to reduce our ecological footprint, just as we know why and how phone companies justify price increases, Canadians have a right to know the reasons for gas price increases.

Consumers are getting gouged and it is time for the government to get to the bottom of it.

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**CITY OF NORTH VANCOUVER**

**Mr. Don Bell (North Vancouver, Lib.):** Mr. Speaker, I am pleased to rise in the House today to recognize the 100th anniversary of the incorporation of the City of North Vancouver in British Columbia.

The city is one of two municipalities in my riding of North Vancouver and was incorporated on May 13, 1907. Covering an area of approximately five square miles, this modern city is today the vibrant home to over 50,000 residents, plus thriving businesses and commercial, film and television and waterfront port industries. It is the northern terminus of the SeaBus that daily ferries thousands of commuters and tourists between Vancouver and the North Shore.

### Oral Questions

I give recognition to all the former mayors and city councils whose vision helped create this great community as it is today. I congratulate the current mayor, Darrell Mussatto; his council members, Barbara Perrault, Bob Fearnley, Craig Keating, Bob Heywood, Pam Bookham and Sam Schechter; plus city manager, Ken Tollstam; and the city staff for providing their dedication and leadership as they begin the second century of the history of this beautiful City of North Vancouver.

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[Translation]

#### ANDRÉ BOISCLAIR

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, we of the Bloc Québécois were very sad and overcome by emotion when we heard the news about André Boisclair's resignation as leader of the Parti Québécois. We commend the courage it must have taken to make such a decision.

As he stepped down, André Boisclair reaffirmed his love for Quebec and his commitment to the Parti Québécois, of which there can be no doubt. He devoted all his energy and his immense talent to the party. Everyone recognizes the remarkable nature of his political career, which he began at a very young age.

With both rigour and determination, in times of hardship and success, he took on the responsibilities of the president of the PQ youth council, those of elected member and minister, accumulating many portfolios, as well as the role of leader of the official opposition and, finally, party leader. He is still the elected member for Pointe-aux-Trembles.

We in the Bloc Québécois are convinced that André Boisclair will remain an important asset to achieving Quebec sovereignty, or in his own words—

• (1420)

**The Speaker:** The hon. member for Charlottetown.

\* \* \*

[English]

#### UNIVERSITY OF PRINCE EDWARD ISLAND

**Hon. Shawn Murphy (Charlottetown, Lib.):** Mr. Speaker, this Saturday, May 12, the University of Prince Edward Island will confer degrees to the class of 2007. I would like to take this opportunity to congratulate the graduates and wish them success as they continue in their chosen fields.

As well, the university will confer honorary degrees upon four outstanding individuals during this convocation ceremony. The honorary graduates will be Paul Giannelia, Donna Jane Campbell, Richard Homburg and Kay MacPhee. Each recipient has made an excellent contribution to the Island way of life in their chosen fields.

I ask my colleagues to join me in congratulating the honorary degree recipients and the newest graduates of this great university.

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#### SENATE TENURE LEGISLATION

**Mr. James Bezan (Selkirk—Interlake, CPC):** Mr. Speaker, the truth is getting out from behind the closed doors of the Liberal

caucus. Apparently, the Leader of the Opposition has reportedly ordered the senators to pass the Senate tenure bill, a bill that has been obstructed in the Senate for almost a year now.

However, the unelected and unaccountable Liberal senators have told him what he can do with his quaint notion of supporting a modest, democratic reform measure. The Liberal senators are in open defiance of their helpless party leader.

Canadians want to know: Why is the Liberal leader so weak and powerless? Why is he impotent in the face of a challenge of the superannuated wing of his own caucus? Why can the Liberal leader not just get up and get the job done on Senate term limits, and on so many other issues?

On May 30 we are planning a party for the Senate term limits bill. It will be one year since the bill was first introduced in the Senate. We hope the Liberal leader will come; after all, it will be the one year anniversary since he said that he supported Senate term limits.

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## ORAL QUESTIONS

[Translation]

#### AFGHANISTAN

**Hon. Stéphane Dion (Leader of the Opposition, Lib.):** Mr. Speaker, the government is constantly contradicting itself. Yesterday, the Minister of Foreign Affairs said that it was pointless to notify NATO that our mission in Kandahar was ending in February 2009, because all anyone needed to do was read the newspapers. Yet on April 19, in the debate on the Liberal motion, Conservative members repeatedly stated that the mission must not have a time limit.

I call on the Prime Minister to put an end to this cacophony and tell us whether he is talking to our NATO allies to find out who will replace our troops in February 2009.

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, we are clear. Parliament has decided to extend the mission until February 2009. NATO is not waiting for an answer from this government about an extension. But I can assure this House that our position is that the decision rests with the Parliament of Canada. It was the Liberal government that decided to send troops to Afghanistan, to Kandahar, without Parliament's support.

[English]

**Hon. Stéphane Dion (Leader of the Opposition, Lib.):** Mr. Speaker, it was the present Prime Minister who decided to continue the mission until February 2009. He has the responsibility. There is a precedent. In 2003, when it was time to find a replacement force for our troops, we secured it well before the end of our one year mission in Kabul. These things take time.

Is the Prime Minister only speaking to our allies? Is he acting responsibly to ensure we have a replacement force for our troops in Kandahar in February 2009?

*Oral Questions*

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, our NATO allies are not seeking a Canadian decision on this at this time. I think what our NATO allies are seeking is the same thing the Canadian population is seeking, which is clear support for the Canadian troops who are in the field right now. The Liberal Party should give them that support.

**Hon. Stéphane Dion (Leader of the Opposition, Lib.):** Mr. Speaker, to support our troops we need to be clear but the Prime Minister is not being clear. On the one hand he says that we do not need to engage NATO because it is clear that it is February 2009, while on the other hand he is saying that no decision has been made.

Is the end of the combat mission in Kandahar in February 2009, yes or no? If the answer is yes, will he engage right away with our allies about it?

• (1425)

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I will just say it once again. Our allies are not seeking any such commitment from Canada at this time. I think what our allies would like and what our Canadian soldiers would like is to hear just once in a while a little bit of a thank you for the great work they are doing over there. They do not get it on the other side but they should be getting it.

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, the detainee debacle has exposed the government's broader mismanagement of the Afghanistan mission.

On the ground, insurgents are crossing freely from the border with Pakistan. We have no strategy on the poppy trade. We have no diplomatic strategy and no development strategy. Here in Ottawa, departments are feuding with each other, we have evasions in the House and the Minister of National Defence cannot even get up on his feet and defend the policy.

Will the Prime Minister do his job, give our soldiers the civilian leadership they deserve and fire that Minister of National Defence?

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

**The Speaker:** Order, please. The hon., and obviously very popular, Minister of Foreign Affairs is rising to answer the question but we need to be able to hear the answer.

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, I dare say that in a decade or more we have not seen more clear, unequivocal support for the Canadian armed forces than we have seen for many years.

We have a very clear, decisive policy with respect to our foreign affairs commitment in Afghanistan. We have a very clear level of support for our Canadian Forces. This Prime Minister, this defence minister and this government have been unequivocal in our support for the important work that is being done militarily and on the development and reconstruction side in Afghanistan.

[*Translation*]

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, this government does not understand that without leadership in Ottawa, we will fail in Kandahar. The NATO secretary general said earlier this week: "The final answer in Afghanistan will not be a military one and cannot be a military one".

When will this government finally balance our defence, development and diplomacy efforts?

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, the Leader of the Opposition clearly does not understand the current mission. This government has taken a very balanced approach. It has increased its support for the mission in Afghanistan by more than \$200 million.

[*English*]

We have taken a very balanced approach, with development and reconstruction well under way. Our provincial reconstruction team is doing admirable work in the field. All of this takes place under the secure environment being provided by our military.

\* \* \*

[*Translation*]

**TAXATION**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday in the Standing Committee on Finance, government experts did not deny that \$4 billion in profits are repatriated from tax havens annually without a penny paid in tax. This was made possible through section 5907 of the income tax regulations, which allows Canadian companies to be exempt from paying tax on profits they bring back from their branches in Barbados.

Will the Prime Minister abolish section 5907 once and for all, to put an end to this scandalous tax loophole?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, this is a very detailed question on corporate tax law.

However, I will repeat the message from the Minister of Finance, who has promised to make sure that Canadian companies pay their share of taxes in Canada.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, it is not a very detailed matter. It is quite simple. It is a matter of abolishing section 5907 because otherwise the rest of the population has to carry a \$4 billion tax burden.

When the Prime Minister was in opposition, he clearly stated that we should get rid of this tax agreement with Barbados. He was clear then. Now that he has the power to do so, what is stopping him? When will he have the courage to take action? Did he have a change of heart?

• (1430)

[*English*]

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, the leader of the Bloc will know that in fact the House finance committee is studying these very issues right now. I compliment the Bloc because it has supported this study.

In this government, we have a huge commitment to tax fairness and we have taken a lot of heat for it, so we are very glad to have the support of the Bloc in tackling a fair tax system.

*Oral Questions**[Translation]*

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, the reality of tax havens is not hard to understand. Tax havens allow companies to pay practically no tax on profits declared in Barbados and to bring these profits back to Canada without paying tax.

Does the Minister of Finance think it is normal for a company that makes profits not to pay any tax and for the tax burden to end up on the middle class? This is one of the indecent aspects of the tax havens that need to be corrected as soon as possible.

*[English]*

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I am sure my hon. friend opposite, being the finance critic for the Bloc, has read the budget in detail. There he will see the government's commitment to achieving a fair tax system for all Canadians so there can be tax reductions for all Canadians and all Canadian businesses.

The member also will know that in the budget the government committed to setting up a panel to study this, and he also knows that the House finance committee is studying it. We are moving very vigorously on this front. Again, we do appreciate the support of the member opposite.

*[Translation]*

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, it is clear that by keeping section 5907 of the income tax regulations, which allows the use of Barbados as a tax haven, the Minister of Finance, year in and year out, accepts that companies avoid paying tax on \$4 billion in revenue every year. A solution exists and the Minister of Finance knows it. All he has to do is abolish section 5907 to get these companies to finally pay their taxes here.

When will he do it?

*[English]*

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I am sure we are going to hear more representations along these lines, both to the House finance committee and to the government's panel on tax fairness.

As the member knows, this government has shown a tremendous will to address tax loopholes to make sure that we do not have tax evasion in this country. The government has shown extraordinary courage in tackling these issues and will continue to do so.

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*[Translation]***INDUSTRY**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, Canada recently lost several Canadian businesses. Russian, Chinese, Swedish, American, Indian and Brazilian companies grow richer while the workers' families grow poorer. The government has done nothing to prevent the current situation and to ensure that our economic jewels remain in Canadian hands.

When will the government take this fire sale seriously?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, there is no fire sale. In accordance with legislation, a review of major acquisitions is carried out to ensure that there is a net benefit to Canada before the transactions are completed. That is the government policy.

*[English]*

**Hon. Jack Layton (Toronto—Danforth, NDP):** Actually, Mr. Speaker, what the government is doing is putting a great big sign on the lawn. It simply says, "Canada for sale".

We are losing our identity with the takeover of companies like Molson, The Bay and Van Houtte. We are losing jobs with the sell-off of companies like Abitibi and ATI Technologies. We are losing our ability to chart a course for our future with the takeover of companies like Falconbridge and now Alcan.

When will the Prime Minister start standing up for Canada and Canadian jobs?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, that is the old economic nationalism of the NDP. The NDP does not want Canada to be part of free trade or part of the global economy.

The fact of the matter is that there is foreign investment in Canada. At the same time, Canadian investment outside of Canada has been growing.

Yes, there are job losses from time to time, but there are a lot more job gains under free trade and under our participation in the global economy. That is one reason why we have the lowest unemployment rate in over 40 years.

\* \* \*

● (1435)

*[Translation]***AFGHANISTAN**

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, what is pathetic about the Afghan detainees scandal is not only the inconsistency and incompetence of this Conservative government but the fact that we have opposite a former military lobbyist and arms dealer who no longer has the right to speak because his own Prime Minister realizes that he embarrasses Canada every time he utters a word. However, he is the one responsible.

Can the Minister of National Defence confirm that, despite what the Prime Minister is telling us, negotiations are underway with NATO to withdraw troops from Kandahar in January 2009?

*[English]*

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, in a recent national poll I obtained twice the level of support of the Leader of the Opposition. The reason I obtained that support is that he continues to show poor judgment. Recently he suggested that we would bring the Taliban back to Canada, maybe on a Taliban sponsorship program, but the worst example of his judgment is picking a buffoon as the defence critic.



*Oral Questions*

**Hon. Denis Coderre (Bourassa, Lib.):** Maybe, Mr. Speaker, it takes one to recognize another one. I do not know.

What we need—

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

**The Speaker:** Order. I know people are in very good spirits today, but it is question period now and we must have some order. The hon. member for Bourassa has the floor.

**Hon. Denis Coderre:** Mr. Speaker, our troops need a defence minister. They do not need a seat cushion.

What we need right now are answers. We do not want to know how the polls are going, because I think that if we were talking about polls the Prime Minister would have some problems.

The question is clear. We want to know if there are negotiations with NATO right now, because the government is negotiating with NATO—

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

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

**The Speaker:** Order. The right hon. Prime Minister has the floor.

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I think it would be inappropriate for me to completely ignore the remark that was made by the hon. member in talking about the Minister of National Defence as an arms dealer, a man who served his country in uniform for 30 years.

That is the kind of language that the other side uses toward the men and women who wear the uniform of the Canadian Forces. It is unacceptable. If the member will not withdraw it, his leader should make him withdraw it.

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, with their defence minister often muzzled in the House, Conservatives have confirmed to Canadians the total mismanagement of the Kandahar mission from top to bottom, with detainees botched and bungled, defence and foreign affairs at war with each other through the press, blackouts and secrecy instead of real information on the mission, and a defence minister who is usually benched. I am sorry, but that is true.

When will the Conservatives show some real loyalty to the troops and name a defence minister who can actually do this job?

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, what absolute rubbish is coming from members opposite. This government has been decisive in its action with respect to the issue of detainees. We now have an enhanced agreement in place that protects Canada's interests as well as those of detainees.

We have taken decisive action to give the men and women of the armed forces the equipment they need. They have support, at least on the government side, with respect to the important mission that is taking place in Afghanistan.

We have millions of dollars in aid and in the reconstruction that is happening to help elevate the lives of the Afghan people. We can ask men and women in Afghanistan if they want Canada's participation. They will say yes, regardless of what the opposition is saying.

• (1440)

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, again we have heard from the wrong minister.

The bungles continue because the defence minister is not doing a full job. What Conservatives do not realize is that civilian military control is an important principle of democracy. Do Canadians not deserve a real defence minister, one who asks questions and can actually answer them?

How can Canadians have confidence in the government to manage the combat mission when its defence minister is so clearly a political dead man walking?

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, I dare say that in our country's history never have we had a Minister of National Defence with a more in-depth working knowledge of the Canadian armed forces.

In addition, what we have undertaken in Afghanistan is to help assist the people of Afghanistan build a functioning country, securing their borders, building infrastructure, building vocational programs and building good governance practices. This is a whole government approach that is working.

We are there under a UN mandated NATO mission, making a huge difference in elevating the lives of the people of Afghanistan.

\* \* \*

[*Translation*]

**CORPORATE TAKEOVERS**

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, over the past few months, several large Canadian corporations have been taken over, or are about to be, by foreign companies. Nearly all these take-overs have been in the natural resources sector. This trend could seriously jeopardize our economic development and even Bay Street is concerned.

What does the government intend to do to ensure that Canada does not become a branch plant economy?

**Hon. Maxime Bernier (Minister of Industry, CPC):** Mr. Speaker, I would like to remind my hon. colleague about a recent study by Competitiveness and Prosperity. The study confirms that foreign acquisition of Canadian companies translates into more head offices and more jobs created right here in Canada. Therefore, if my hon. colleague is concerned about the fact that this creates jobs and generates wealth in this country, I would remind her that foreign investment is healthy and that it must comply with Canadian legislation. We have legislation in place that ensures a good bottom line for Canada anytime a foreign investment is made here.

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, I would point out to the minister that this is not the case when it comes to the regions. This foreign ownership of our natural resources means that they are processed elsewhere, which undermines the manufacturing sector a little more, with disastrous consequences for employment and the resource regions.

Will the minister finally show that he cares about employment?

*Oral Questions*

**Hon. Maxime Bernier (Minister of Industry, CPC):** Mr. Speaker, here on this side of the House, we care about employment and future investments in this country. The Bloc Québécois has done nothing about either in the past 13 years. It is important to point out that, in 13 years, the Bloc Québécois has achieved nothing concrete for Quebeckers.

Speaking of foreign investments, I would like to remind my Bloc Québécois colleague that direct investment abroad by Canadians is greater than foreign investment in Canada, by \$74 billion. What does this mean? This means that, in Canada, we have first-rate businesses, businesses that are able to invest abroad, around the globe, and generate wealth.

\* \* \*

**PESTICIDE MANAGEMENT**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, according to the Pest Management Regulatory Agency, the Conservative government is about to increase the acceptable chemical residue limits on hundreds of fruits and vegetables sold in Canada. In fact, the government will decide to lower our standards to match those of the Americans.

Does the Minister of Health think it is right and acceptable to lower the criteria for pesticides at the expense of the population?

**Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC):** Mr. Speaker, this is not the case at all. This government will protect the health of all Canadians. On the contrary, our decisions are based on science, on scientific, not political, data. We will not lower the level of safety of Canadians if discussions lead to an agreement. I give the House my word.

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, environmental experts confirm that such changes to pesticide regulations are unacceptable.

Can the minister explain why he accepts these new standards, which put trade interests ahead of health? This is what it boils down to: making our American friends happy, and too bad for everyone's health.

• (1445)

**Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC):** Mr. Speaker, there is no agreement, no changes, nor any such discussion within our government. Our government will protect Canadians and the situation in our country. If there is an agreement with the Americans or anyone else, the agreement will protect the health of Canadians.

\* \* \*

[English]

**TAXATION**

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, the ill-fated plan to kill interest deductibility was a fundamental multi-billion dollar mistake from the very beginning by an incompetent finance minister.

Weeks after the budget, the minister said he needed to spend some time on the issue. Yesterday he said that this is a difficult and complex issue.

Clearly the minister does not know what he is doing, and he wrote the budget. He simply is not up to the job. Should Canadians not have a finance minister who knows what he is doing?

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, it is kind of interesting how sensitive the Liberals are to perceived incompetence on the front benches. I guess they experienced a lot of that in their years in government.

The fact of the matter is that our finance minister made it very clear that he was going to address tax loopholes and improper tax avoidance. He is doing that. I wonder why the Liberals think that getting the same deduction for only one expense, getting a deduction twice, is a good thing. How do they defend that?

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, the minister and his parliamentary secretary are so incompetent they do not even know they are incompetent.

This is about a minister whose approach to economic policy can be summed up in three words: ready, fire, aim. The minister's own estimates for the cost of this measure was off by 2,500%. If that is not incompetent, what is? His mistake will cripple Canadian industries and cost more jobs to hard-working Canadians.

When will the incompetent minister retract this disastrous policy?

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I appreciate my friend's manufactured outrage, but the fact of the matter is that our government does not think that two deductions for one expense are appropriate. We are going to address that. I hope that a little bit of the outrage on the other side will be designed to make our tax system more fair, because that is what all Canadians want.

\* \* \*

**SOFTWOOD LUMBER**

**Hon. Navdeep Bains (Mississauga—Brampton South, Lib.):** Mr. Speaker, the Minister of International Trade claimed the softwood lumber agreement was "far better than litigation".

The U.S. has criticized our domestic softwood lumber policies. We have had one consultation meeting and it is clearly apparent that we are going to arbitration, in other words, back to court.

The government sold out our softwood lumber industry by leaving over \$1 billion on the table, agreeing to a restrictive quota system and abandoning our past NAFTA and WTO litigation victories.

When will the minister acknowledge he signed a flawed deal and it sold us out to the U.S.?

**Hon. David Emerson (Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC):** Mr. Speaker, I am a little surprised that the hon. critic is taking lessons out of the NDP book on sellouts.

I can tell the hon. member that if we did not have the softwood lumber agreement in place today, we would be facing NAFTA chapter 19 litigation. We would be facing duties of 30% to 40%.

The softwood lumber agreement brings stability. It brings a process and a positive, constructive way to deal with these kinds of disputes.

[*Translation*]

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, it is quite surprising that the minister continues to support his softwood lumber agreement. We were told that we would have seven years of peace, that it was the best agreement in decades, and that the agreement was preferable to going to court.

The reality is that the industry is facing a court battle financed by the \$500 million that the Conservative government left in the hands of the American softwood industry.

This agreement is a farce. How can the minister continue to support it?

• (1450)

[*English*]

**Hon. David Emerson (Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC):** Mr. Speaker, if there is a farce here, it is the intellect of the hon. member. That is a complete farce.

Does the hon. member recognize that our industry got over \$5 billion to build and strengthen the Canadian softwood lumber industry? Does the hon. member realize that we have a positive, constructive process to resolve our disputes?

Shame on the hon. member.

\* \* \*

#### THE ENVIRONMENT

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Mr. Speaker, today is a smog day in most of southern Ontario and it is only the beginning of May.

Sadly, the Liberal leader does not think that we have a problem. He has said that our air is one of the cleanest to be found in a developed country. Tell that to my constituents in Lambton—Kent—Middlesex in southwestern Ontario.

Could the Minister of the Environment tell the House about the detrimental changes by the Liberal Party to Bill C-30 when it comes to clean air?

**Hon. John Baird (Minister of the Environment, CPC):** Mr. Speaker, it is very common to name hurricanes and tornadoes so we are going to call today smog day Dion.

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

**The Speaker:** I suspect the Minister of the Environment meant smog day Leader of the Opposition, or something like that. If he was using the name of an hon. member, he knows that he has to use some other title. He will want to comply with the rules in his answer.

**Hon. John Baird:** Thank you, Mr. Speaker. As the member for St. Paul's said last year, we had one smog day in 1993 and we had 48 last year. That is the Liberal record on smog and pollution.

#### Oral Questions

It could get worse. The Liberals want to take out mandatory national air quality standards from Bill C-30, mandatory public reporting on air quality. The worst is that they want to allow the minister to exempt some Canadian—

**The Speaker:** The hon. member for New Westminster—Coquitlam.

\* \* \*

#### AFGHANISTAN

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Mr. Speaker, Afghans are increasingly concerned with the mounting civilian death toll. This week the Afghan senate asked foreign forces to put an end to the hunting and the search and destroy approach. Last week President Karzai said that the civilian death toll is something his government can “no longer accept”.

Will the government acknowledge the serious concerns of the Afghan government and change course, just as Afghan officials and the Canadian public are demanding?

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, of course we acknowledge concerns of the Afghan government. We work very closely with it. We have representatives of the Canadian embassy working each and every day with the government in Kabul.

With respect to the international security assistance force, it is a UN mandated NATO mission. We are all aware of that. We know that the operations are conducted with the consent of the Afghan authorities under a democratically elected government in Afghanistan. NATO operations are conducted jointly alongside Afghan national forces. The Canadian Forces and NATO allies attach the highest importance to the protection of civilian life in all of their operations.

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Mr. Speaker, 90 civilian deaths in the last two weeks is something to take very seriously.

The Conservative government cannot tell us anything about what is happening with Afghan detainees. It cannot give us a straight answer about the duration of the mission. Canadians have clearly lost confidence in the Minister of National Defence and the government's handling of the war.

If the government of Afghanistan does ask Canada and NATO to change their tactics, will the government do so?

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, what I can tell the hon. member is we are not going to engage in idle speculation from the member opposite.

What I can tell the member as well is that we have seen consistent inconsistency from the NDP on this issue with respect to the NDP's outlook on this mission. What we know very well is when it comes to the mission in Afghanistan, the members of the NDP are sheep in sheep's clothing.

*Oral Questions***EQUALIZATION**

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Mr. Speaker, let us be clear. To the Conservatives our Atlantic accords have always been viewed as unfair side deals, so on principle, Conservatives are now replacing the Nova Scotia accord with, get this, side side deals. How principled.

The Conservatives have gone from promises of no caps, no excuses, no fine print, to one big cap and a whole lot of fine print and a whole lot of excuses.

I would ask the Prime Minister to stand right here in this place and on his word, give a promise to Newfoundlanders and Labradorians that he will replace the \$11 billion that he took from the Atlantic accord and the equalization formula. Or are we about to hear more excuses?

• (1455)

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, contrary to the member's rhetoric, this government promised to respect the Atlantic accords, and that is exactly what we did in the budget. We respected the Atlantic accord. We also gave the Atlantic provinces under the accord the option of moving into a new and even richer system of equalization. I do not know what the member is complaining about.

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, another example of Conservative flim-flam is the Conservatives' treatment of Saskatchewan on equalization.

During the last election, to buy votes the Conservatives promised Saskatchewan \$800 million more per year, but their budget capped Saskatchewan at only one-quarter of that amount for this year and then nothing thereafter.

Saskatchewan people feel betrayed. The premier has said that he may now take this Conservative government to court.

At least five provinces are outraged about this budget. Is this the new era of peace and harmony the federal finance minister bragged about?

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, it is always amusing to me when the hon. member for Wascana gets up to speak about Saskatchewan and what he did for Saskatchewan.

The truth of the matter is under the Liberal government, the Liberals had no plans whatsoever to deal with removal of non-renewable natural resources from the equalization formula. We promised it. We delivered it.

Furthermore, Saskatchewan received the best deal on equalization. We received \$878 million of new funding, a higher per capita payment than any other province in Canada. That is a great deal for Saskatchewan.

\* \* \*

**STUDENT EMPLOYMENT**

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, the Conservatives are playing games with the hugely

successful summer grants program, which has provided hundreds of thousands of jobs for students and assisted community organizations.

Last fall they announced a \$55 million cut, but no details. They wait until March to re-gift it, but change the program and, guess what, less money.

Students are confused. Community organizations are shaking their heads. Cuts, changes, less money; why is the minister treating this program like a game of three card Monte? Why stack the deck against our students?

**The Speaker:** I have not heard of that card game, and I think we should avoid references to that sort of thing. It sounds a lot like perhaps the minister's name, and I have already had to chastise one hon. member for this kind of blunder this afternoon.

The hon. Minister of Human Resources and Social Development has the floor.

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, indeed, that was a savage attack.

In fact, we have changed the program and we have improved it. Under the Liberals, they used the plan to fund companies like Wal-Mart, Canada Safeway and Bacardi, very successful international companies that did not need the support of taxpayers.

They also used the money to politically reward their friends. We have ended that practice. The culture of entitlement is over. We have preserved all the funding from the not for profit sector. The member is the one who is really confused.

\* \* \*

[*Translation*]

**SUMMER CAREER PLACEMENTS PROGRAM**

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, today community organizations have to pay the price for Conservative decisions.

Last year alone, the summer career placements program created more than 112,000 hours of work for students in Madawaska—Restigouche. That was an investment of more than \$500,000.

This year, the Conservatives made cutbacks in the program and replaced it with a less generous program, with a registration process that shuts out community organizations.

How could the minister so seriously misjudge the great benefits of the summer career placements program? Why has he abandoned the students of Canada?

[*English*]

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, I know the member is disappointed that he can no longer direct this money to his political friends, but Canadians want a clean program.

We have ensured that the \$77.5 million budgeted last year for the not for profit sector is there again this year. On top of that, we offer several million dollars more for public and private small businesses, businesses under 50 employees. We do not want to continue to send money to Wal-Mart like the previous government did.

\* \* \*

• (1500)

[Translation]

#### AGRICULTURE AND AGRI-FOOD

**Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ):** Mr. Speaker, three years ago, the federal government introduced voluntary GMO labelling standards, but consumers in Quebec and Canada have not yet seen a single GMO label.

Given that over 80% of consumers in Quebec and Canada want mandatory labelling, which already exists in about 40 countries, does the government plan to give consumers the right to know whether or not their food contains GMOs?

[English]

**Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, this is of great interest to agriculture ministers, both federal and provincial. A working group of federal-provincial ministers and our top bureaucrats are working on this right now and coming up with ideas and proposals.

We were also engaged in an international forum recently in Montreal. Up to 35 countries participated, again to try to find a way forward that would meet the needs of our international obligations while still allowing farm operations and our very safe food operations to continue in Canada. We are working on this, building consensus.

In the meantime, consumers should always send the message that they have the ultimate hammer. They can just not buy if they do not

**The Speaker:** The hon. member for Jeanne-Le Ber.

\* \* \*

[Translation]

#### WORLD BANK

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Mr. Speaker, Paul Wolfowitz gave a big raise to his girlfriend, and now all countries belonging to the World Bank want him fired. All but three: Japan, the United States and Canada.

Can the Minister of Finance tell us why he still supports Paul Wolfowitz, whom the World Bank inquiry found guilty of nepotism?

[English]

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I do not know how on earth my friend opposite can come to that conclusion. In fact, our government's position is that we cannot make a conclusion on this matter until the process that has been put into place by the World Bank itself has been followed. It is now being undertaken. Examination of all the facts have been made by the World Bank and by its panel.

#### Oral Questions

As soon as the facts come out and are published, then we will take a position. That is the fair thing to do.

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#### FOREIGN AFFAIRS

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, yesterday the Minister of Foreign Affairs, with righteous indignation, misled the House in response to a question raised by my colleague from Thornhill.

Conservative MPs tried to block a Liberal motion to condemn the hateful words of the Iranian president and send his comments to the International Criminal Court. While the motion passed, it was only the Conservatives who voted against it.

Will the Minister of Foreign Affairs apologize for misleading the House and will he publicly condemn his colleagues for their shameful actions?

**Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC):** Mr. Speaker, I completely condemn on behalf of this government, as I have in the past, the shameful commentary by President Ahmadinejad in his hateful comments, in his distortion of fact, in his ongoing denial of the Holocaust.

What is so tragic, so unfortunate, so abysmal, is members opposite trying to play politics with such a serious issue, trying to distort the position of members of Parliament, including myself, over an issue of international disgrace on the part of a supposed leader in Iran.

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#### THE ENVIRONMENT

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Speaker, yesterday our government announced a major step forward in efforts to ensure that Canadians have clean water and that our oceans and lakes are protected. We announced consolidated national regulations for pollution from ships, which will apply to all boats in all waters in Canada.

Could the Minister of Transport tell the House how these regulations will benefit Canadians and how the government is taking action against marine pollution?

**Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, the new regulations released yesterday are a prime example of the Government of Canada as a leader in preventing the pollution of the marine environment and reducing the environmental impacts of transportation. By working with the marine industry, we now have a zero tolerance regulation that will deliver results for the prevention of pollution from ships and dangerous chemicals.

When it comes to the protection of the environment, we are turning the corner and we are getting the job done.

*Point of Order*

● (1505)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, today marks the first day of smog season in Ontario and unfortunately the Minister of the Environment has made things worse by creating a special loophole for the Conservatives' favourite pet project in the oil sands. Every industry in Canada is being asked to chip in. Even the oil and gas sector has to reduce by 35%. However, the oil sands gets to increase smog pollution by 60%.

Why the double standard? Why the free ride for the oil sands? Will the minister allow Albertans to breathe clean air as well as the rest of Canadians?

**Hon. John Baird (Minister of the Environment, CPC):** Mr. Speaker, nothing could be further from the truth. In fact, this government is acting to reduce smog, to reduce pollution in every industrial sector, including in the oil sands. If we left it to the Liberal business as usual approach, these emissions would rise by 300%. That is unacceptable.

Maybe the member from British Columbia could tell us why he voted against mandatory national air quality standards in Bill C-30. Why did he vote against mandatory public reporting on air quality? Why would he allow a politician behind closed doors to exempt certain parts of Canada from clean air? Shame on him.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, today we have learned of a disturbing new tactic in the Conservatives' arsenal in fighting against a clean environment. Today the government arrested a whistleblower at Environment Canada who had the audacity to tell the Canadian people the truth about the policy that is disastrous for our country.

Why will the government not spend a little less time arresting whistleblowers and a little more time cleaning up the environment? Why will the minister not introduce into the House the clean air and climate change act, which we re-introduced and rewrote, for a clean and fair democratic vote in Parliament?

**Hon. John Baird (Minister of the Environment, CPC):** Mr. Speaker, my colleague from British Columbia will be happy to know what we are doing. We are finally going to force these big corporate polluters to clean up their act. Do members know who the biggest corporate polluter in Canada is? It is Dalton McGuinty and the Ontario Liberal government. We are going to force them to clean up their dirty coal fired plants so people in southern Ontario can have clean air and less pollution and less smog.

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**PRESENCE IN GALLERY**

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of Canada's most decorated nurse, Dr. Helen Mussallem. She is the recipient of the highest award of the International Red Cross, the Florence Nightingale Medal, and a Companion of the Order of Canada.

Dr. Mussallem served as a surgical nurse in the second world war. She is accompanied today by a group of nurses, several of whom are with the Canadian Forces and have recently returned from Afghanistan.

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

[Translation]

**POINTS OF ORDER**

## ORAL QUESTIONS

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, I rise on a point of order concerning a question of privilege. During oral question period, I asked a question of the Minister of Human Resources and Social Development, even though he may not want to hear the truth.

Nevertheless, when he answered my question, he clearly tried to impugn my integrity when he attempted to suggest that businesses, non-profit organizations and all the cities and towns in my riding had received money under the summer career placement program because they are friends of mine. It is unacceptable for a minister to make such comments. He should think more before he speaks.

I ask the minister to act like a gentleman and retract what he said. He may not like to hear the truth, but it is unacceptable to try to attack the integrity of a member in this House. We were elected by the people in our ridings to do the work we have to do.

It is unacceptable to suggest that I handed out money to my friends under the summer career placement program. I believe that he should also apologize to all the cities and towns, businesses and community and non-profit organizations that have received money from the summer career placement program.

● (1510)

[English]

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, I appreciate what the member is saying. However, I have to point out, coming in the wake of the worst scandal in Canadian political history, we have an obligation as a government to take every possible measure to ensure that the safeguards are in place to protect the Canadian public and protect taxpayers. That means taking away the ability of members of Parliament who are in a political conflict of interest and, at some time, perhaps in a personal conflict of interest to ensure taxpayers are protected.

**The Speaker:** I think we are getting into a debate on this subject.

[Translation]

In my opinion, we now have submissions about a point of order or a question of privilege.

I will look at the members' remarks during question period and the statements that followed and, if necessary, I will report to the House.

*Routine Proceedings**[English]*

However, I will not have a continuation of the debate on the words that were used. They are in print now. We can read them. If there was something said that was improper, we will deal with it.

## CORRECTION TO COMMITTEE REPORT

**Mr. Colin Mayes (Okanagan—Shuswap, CPC):** Mr. Speaker, I rise on a point of order to clarify an administrative issue related to the tabling, on March 29, of the seventh report of the Standing Committee on Aboriginal Affairs and Northern Development.

In accordance with Standing Order 109 the committee agreed to a motion to request a government response to the report within 120 days. The motion appears in the minutes of the proceedings, but the request did not appear in the text of the report itself. This was an administrative oversight.

The committee agreed to the motion. It was reported in the minutes. The minutes were cited in the report and I requested a government response when I presented the report to the House.

I rise today to confirm that the committee does, indeed, wish to receive a government response within 120 days. I have signed a new copy of the report to that effect.

**The Speaker:** I thank the hon. member for his intervention, and I am directing the Clerk of the House to take the appropriate administrative measures to address the situation he has described.

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

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

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*[Translation]***CANADA ELECTIONS ACT**

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC)** moved for leave to introduce Bill C-55, An Act to amend the Canada Elections Act (expanded voting opportunities) and to make a consequential amendment to the Referendum Act.

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

\* \* \*

*[English]***INTERPARLIAMENTARY DELEGATIONS**

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, pursuant to Standing Order 34 I have the honour to present to the House a report from the Canada-United Kingdom Interparliamentary Association concerning the bilateral visit to the United Kingdom held in London from January 14 to January 20, 2007.

● (1515)

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, pursuant to Standing 34 I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canada-Europe Parliamentary Association respecting its participation at the parliamentary conference on the northern dimension held in Brussels, Belgium, from February 28 to March 1, 2007.

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**COMMITTEES OF THE HOUSE**

## ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Environment and Sustainable Development entitled "Bill C-307, An Act to prohibit the use of BBP, DBP and DEHP in certain products and to amend the Canadian Environmental Protection Act, 1999".

In accordance with its order of reference of Tuesday, October 31, 2006 your committee has considered and held hearings on the subject matter of Bill C-307, An Act to prohibit the use of benzyl butyl phthalate (BBP), dibutyl phthalate (DBP) and di(2-ethylhexyl) phthalate (DEHP) in certain products and to amend the Canadian Environmental Protection Act, 1999, and agreed on Thursday, May 3, 2007 to report it with amendments.

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, I have the honour today to present three reports of the Standing Committee on Procedure and House Affairs.

The first report is the 48th report of the procedure and House affairs committee regarding changes to the Standing Orders. This change to Standing Order 115 is as follows:

Notwithstanding Standing Orders 108(1)(a) and 113(5), the Chair of a standing, special, legislative or joint committee shall suspend the meeting when the bells are sounded to call in the Members to a recorded division, unless there is unanimous consent of the members of the committee to continue to sit.

I intend to move concurrence in this report with the agreement of the House later this day.

As well, I have the honour to present the 49th report of the Standing Committee on Procedure and House Affairs. This report deals with the selection criteria for private members' business as well as proposed changes to the Standing Orders regarding similar items of private members' business.

If the House gives its consent, I shall move concurrence to the 49th report later this day.

Finally, I have the great privilege and honour to present, in both official languages, the 50th report of the Standing Committee on Procedure and House Affairs. Pursuant to Standing Order 92(3) the committee recommends that Motion No. 322, standing in the name of the hon. member for Saint-Laurent—Cartierville, be designated a non-votable item.

*Routine Proceedings*

[Translation]

## OFFICIAL LANGUAGES

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, I have the honour to submit, in both official languages, the seventh report of the Standing Committee on Official Languages entitled “Communities Speak Out: Hear our Voice. The vitality of Official Language Minority Communities”.

[English]

## CANADIAN HERITAGE

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the 19th report of the Standing Committee on Canadian Heritage related to the assistance program for exhibits and festivals.

## INTERNATIONAL TRADE

**Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC):** Mr. Speaker, I have two travel motions to present to the House today.

The first notes that there have been the usual discussions between all of the parties, and I think you will find there is unanimous consent for the following motion. I move:

That, in relation to its study on Canada's Trade Policy, five (5) members of the Standing Committee on International Trade be authorized to travel to Riyadh, Saudi Arabia; Dubai, Abu Dhabi, UAE; Sanaa, Yemen; and Brussels, Belgium, from June 3 to 14, 2007, and that the necessary staff accompany the committee.

• (1520)

**The Speaker:** Does the hon. chief government whip have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

**Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC):** Mr. Speaker, the second travel motion follows the same as the other, in the sense that there have been discussions among all the parties and I think you will find unanimous consent for the following. I move:

That, in relation to its study on Canada's Trade Policy, five (5) members of the Standing Committee on International Trade be authorized to travel to Jakarta, Indonesia; Singapore; and Hanoi, Ho Chi Minh, Vietnam, from June 3 to 14, 2007, and that the necessary staff accompany the committee.

**The Speaker:** Does the hon. chief government whip have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, if the House gives its consent, I move:

That the 48th report of the Standing Committee on Procedure and House Affairs concerning the Standing Orders of the House, presented to the House earlier this day, be now concurred in.

**The Speaker:** Does the hon. member for Cambridge have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, if the House gives its consent, I move:

That the 49th report of the Standing Committee on Procedure and House Affairs, concerning the Standing Orders of the House and private members' business, presented earlier this day, be now concurred in.

**The Speaker:** Does the hon. member for Cambridge have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

[Translation]

## THE PHILIPPINES

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ)** Mr. Speaker, I seek leave to introduce, for the unanimous consent of the House, a motion concerning a human rights emergency in the Philippines. The motion reads as follows:

“That, in the opinion of this House, given the serious deterioration of the human rights situation in the Philippines since 2001 and the systematic political assassinations that occur there, which were condemned by Amnesty International in 2006, the Melo report and the UN special rapporteur on extrajudicial executions and, given the fact that Canada provides aid to the Philippines, the Government of Canada should urge Gloria Macapagal Arroyo's government to take the necessary measures to correct this situation and put an end to political assassinations and crimes that go unpunished so that a truly democratic election can be held on May 14.”

I hope that the House will support this motion.

**The Speaker:** Does the hon. member for La Pointe-de-l'Île have the unanimous consent of the House to introduce this motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** There is no consent.



*Routine Proceedings*

[English]

**PETITIONS**

## TERMINATOR SEED TECHNOLOGY

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I rise today to present three petitions.

The first one concerns the terminator seed that is designed to render seeds sterile at harvest and thus prevent farmers from saving and replanting seeds.

It calls upon Parliament to enshrine in legislation a permanent national ban on the terminator seed.

## HOUSING

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the second petition I present is from petitioners who are very concerned about the need for affordable and co-op housing units, and the loss of subsidies to co-op housing units that were cut under the section 95 program.

It calls upon Parliament to repay all of the lost subsidies, to provide new assistance to co-ops and to build 200,000 affordable and co-op housing units.

## FEDERAL MINIMUM WAGE

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, my third petition is signed by hundreds of people in British Columbia who note that the federal minimum wage was eliminated in 1996 and that to have a federal minimum wage is a very important matter to ensure that workers get a decent living wage.

It calls upon Parliament to ensure that workers in federal jurisdictions are paid a fair minimum wage by passing the NDP's Bill C-375 to re-establish a federal minimum wage and set it at \$10 an hour.

• (1525)

[Translation]

## SUMMER CAREER PLACEMENT PROGRAM

**Mr. Gérard Asselin (Manicouagan, BQ):** Mr. Speaker, today, pursuant to Standing Order 36, I am tabling a petition in this House signed by residents of the riding of Manicouagan.

This petition is the latest in a string of petitions tabled in the House in response to the federal government's decision to replace the summer career placement program. Many people have expressed their displeasure at this decision.

Petitioners, voters, NPOs, students, and public and private organizations are asking Parliament and the House to maintain and improve the summer career placement program.

[English]

## HUMAN TRAFFICKING

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, I have over a thousand names of people all across Canada calling on our government to continue its good work to combat trafficking of persons worldwide.

Investigators from the Peel Regional Police vice unit have charged a man with human trafficking just last week here in Ontario.

I thank the House for this opportunity to address this rising crime that is growing here in Canada.

## TERMINATOR SEED TECHNOLOGY

**Hon. Raymond Chan (Richmond, Lib.):** Mr. Speaker, I rise to present a petition from my riding to ban terminator seed technologies. The petitioners call upon Parliament to enshrine in legislation a permanent national ban on terminator seed technologies to ensure that these are never planted, tested, patented or commercialized in Canada.

## ASBESTOS

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I have a petition signed by hundreds of Canadians from all over Canada who point out that asbestos is the greatest industrial killer that the world has ever known. Yet, Canada remains one of the largest producers and exporters of asbestos in the world and Canada allows asbestos to be used in building materials, textiles and even in children's toys.

The petitioners call upon Parliament to ban asbestos in all of its forms, end all government subsidies of asbestos, both in Canada and abroad, and stop blocking international health and safety conventions designed to protect workers from asbestos, such as the Rotterdam convention.

[Translation]

## EMPLOYMENT INSURANCE PROGRAM

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I have here a petition signed by people from New Brunswick. The employment insurance program was implemented to help workers who lose their job and salary temporarily or permanently.

This petition calls on the government to reject the mandatory waiting period, to allow workers to apply for benefits as of the first day and to reinstate the appropriate number of staff at the regional offices of Service Canada in order to give applicants the choice of applying on paper or on line, and to provide them with help from a well informed staff member.

[English]

Mr. Speaker, I have another petition with the signatures of many hundreds of people from New Brunswick. In today's economy the loss of even a day's salary is a hardship for too many.

The petitioners claim that the two week waiting period is unfair to workers who are already suffering from loss of employment and recommend that the government reject the mandatory waiting period and allow workers to claim for lost salary commencing on day one of their claim.

### Government Orders

The petitioners call on the government to re-establish proper staffing in the local Service Canada office so that a claimant can have the choice to either file a paper or electronic claim and that a claimant can receive support from properly informed staff.

#### SENIORS

**Ms. Chris Charlton (Hamilton Mountain, NDP):** Mr. Speaker, I am pleased to table another petition today that arises out of my national campaign to fight for fairness for ordinary Canadians, and in particular, for seniors who were short-changed by their government as a result of an error in calculating the rate of inflation. The government has acknowledged the mistake made by Statistics Canada, but is refusing to take any remedial action.

The petitioners call upon Parliament to take full responsibility for this error, which negatively impacted their incomes from 2001 until 2006, and take the required steps to repay every Canadian who has been short-changed by a government program because of the miscalculation of the CPI.

The petitions are signed by hundreds of people from Nova Scotia and Ontario, including an overwhelming number of seniors at Saint Elizabeth Village in my riding of Hamilton Mountain. The petitioners are people who have worked hard all their lives, who have played by the rules, and now are finding it harder and harder to make ends meet. All that the petitioners are asking for is a little bit of fairness from their government. It is my great privilege to table this petition on their behalf.

#### MOTOR VEHICLE SAFETY ACT

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, summer is upon us and many Canadians are cycling. Unfortunately, every year some cyclists die under the wheels of large trucks. In fact, large vehicles are involved in 37% of collisions resulting in cyclist fatalities.

I have hundreds of names on a petition calling on the Government of Canada to introduce a regulation under the Motor Vehicle Safety Act requiring side under-run guards for large trucks and trailers to prevent cyclists and pedestrians from being pulled under the wheels of these vehicles and to harmonize Canadian vehicle safety standards with ECE Regulation No. 73 which requires side guards on all trucks and trailers in Europe.

• (1530)

#### OLD AGE SECURITY

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, my second petition contains hundreds of names of Canadians from the Immigrant Seniors Advocacy Network in support of eliminating the 10 year residency requirement for the old age security and guaranteed income supplement for entitlement to a monthly pension.

These hundreds of names are part of 10,000 signatures on a petition in partnership with this network which is formed by the Chinese Canadian National Council Toronto Chapter, Hispanic Development Council, African Canadian Social Development Council, Council of Agencies Serving South Asians and the Old Age Benefits Forum.

#### LABELLING OF ALCOHOLIC BEVERAGES

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, it is with deep sadness that I present this petition dealing with alcohol warning labels and fetal alcohol syndrome.

The petitioners are deeply saddened that they need to sign a petition calling on the government to implement a motion that was passed by Parliament six years and one month ago.

The petitioners express grief that we have been through six years, five health ministers and two governments and, to this day, there has been no implementation of a very basic motion to put alcohol warning labels on all beer, liquor and wine bottles in order to help deal with the most troubling and difficult issue of fetal alcohol syndrome.

\* \* \*

#### QUESTIONS ON THE ORDER PAPER

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

\* \* \*

#### MOTIONS FOR PAPERS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

#### CANADA ELECTIONS ACT

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC)** moved that Bill C-54, An Act to amend the Canada Elections Act (accountability with respect to loans), be read the second time and referred to a committee.

He said: Mr. Speaker, it is with great pleasure that I open the debate today on the accountability with respect to loans bill.

This legislation builds on our groundbreaking Federal Accountability Act in ushering in a modern era of clean politics, an era when it will no longer be acceptable for any political entity, including candidates and leadership contestants, to mortgage themselves to powerful, wealthy individuals. This bill is modern, accountable and realistic and it would strengthen our democracy.

*Government Orders*

Canada's new government fought the last election campaign on a commitment to eliminate the influence of big money in the political process and, since our very first days in office, we have been delivering on that commitment with an active agenda of meaningful democratic reform.

The Federal Accountability Act brought in tough new campaign finance rules. In it, corporate and union contributions were banned. Anonymous contributions and trust funds were banned. A strict limit on annual donations to a political party of \$1,100 was established to put an end to the influence of big money.

[*Translation*]

With these reforms we have closed the door on those who tried to exert influence by signing large cheques.

[*English*]

It has been said, "Think what you do when you run into debt; you give another power over your liberty". Unfortunately, last year it became apparent that the Liberal leadership candidates were all too willing to relinquish their liberty by mortgaging themselves to a handful of wealthy individuals.

When Liberal leadership candidates started financing their campaigns with big loans from a few wealthy individuals, Canadians saw that big money had found a back door. It had found a way around the Federal Accountability Act. Big money saw political loans as an opportunity to buy back the influence that the Conservative campaign finance reform had blocked. And they took that opportunity, big money did.

• (1535)

[*Translation*]

The leader of the official opposition mortgaged himself for almost half a million dollars to rich and powerful people like Rod Bryden and Stephen Bronfman.

[*English*]

Bob Rae accepted a whopping \$720,000 from his brother, an executive vice-president and member of the board of directors of Power Corporation. The member for Kings—Hants borrowed big cash to the tune of \$200,000 and the member for Etobicoke—Lakeshore borrowed almost \$.5 million as well, all of it either from wealthy individuals or guaranteed by a handful of powerful interests.

In total, Liberal leadership candidates are on the record as owing over \$3 million, almost all of it to wealthy individuals. To put that figure in context, that debt is six times the total amount raised by the entire Liberal Party in the first three months of 2007.

Big money found an easy way to get around the Federal Accountability Act by giving huge sums of money to their favourite candidates and simply calling them loans. I do not think that arrangement sits well with Canadians. It is inconsistent with the spirit of the new Federal Accountability Act that sought to eliminate the undue influence of big money on politics.

[*Translation*]

Canadian democracy does not breathe easy when the country's leaders owe millions of dollars to a handful of rich and powerful people.

[*English*]

The accountability with respect to loans bill would ensure that politicians are accountable to the people who elect them, not the rich and powerful people who want to bankroll them. Today we are acting decisively to put an end to that kind of old style, backroom politics. With this legislation, our government will kick down the doors of political back rooms and turn the lights on.

The bill would regulate all loans made to political parties, candidates and associations in Canada. The bill would establish a uniform and transparent reporting regime for all loans to political entities. It would require mandatory disclosure of terms and of the identity of all lenders and loan guarantors.

Total loans, loan guarantees and contributions by individuals would not be able to exceed the annual contribution limit for individuals established in the Federal Accountability Act, which is set at \$1,100 for this year, 2007. Only financial institutions and other political entities would be able to make loans beyond that \$1,100 limit and then only at commercial rates of interest, the same rates all other Canadians would get from their banks or credit unions.

Under the accountability with respect to loans bill, unions and corporations would be unable to make loans, just as they are now unable to make contributions. This brings our campaign finance rules for loans in line with the rules for political contributions.

Finally, the rules for the treatment of unpaid loans would be tightened by this legislation to ensure candidates could not walk away from unpaid loans. Riding associations would be held responsible for unpaid loans taken out by their candidates.

In short, the accountability with respect to loans bill is modern, realistic and effective. It would strengthen our democracy and public confidence in the integrity of our political system.

The accountability with respect to loans bill builds on the agenda of democratic reform our government has undertaken since being elected. Canada's new government has taken action to modernize Canada's political system by introducing realistic legislation that strengthens accountability, strengthens our democracy and makes the entire political process more accountable.

[*Translation*]

First we introduced Bill C-4, which implemented a review of the requirements for the registration of political parties.

[*English*]

As I mentioned, the Federal Accountability Act, which included provisions to reduce the influence of big money on politics, was passed before Christmas. Bill C-16, another bill, strengthens our democracy by improving responsibility, transparency and equity. It establishes fixed election dates every four years on the third Monday in October.

*Government Orders*

Fixed dates take the guesswork out of the electoral process and level the playing field for the chief electoral officer, for political parties and, more important, for voters. It also encourages participation in the democratic process by allowing Canadians to plan to participate in their nation's electoral process.

I am very pleased to report that Bill C-16 finally received royal assent despite becoming the target of unelected Liberal senators to obstruct and delay every aspect of the government's democratic reform agenda, as has been their habit.

As members will recall, Bill C-16 was passed in the House of Commons without amendments. It underwent exhaustive debate in the House of Commons as well as in the Standing Committee on Procedure and House Affairs.

After being passed in the House of Commons with support on both sides of the House, the fixed dates for elections bill was sent to the Senate where it was examined in detail by the Senate's committee on legal and constitutional affairs.

After a lengthy period of scrutiny and detailed process, that Liberal dominated committee supported the passage of the bill without any amendments.

While neither the House nor the Senate committees found it necessary to amend the term limits bill, at the 11th hour, the very last minute, an amendment was passed by the Liberal Senate, a frivolous amendment that watered down the legislation, which was never subject to any level of scrutiny, and compelled it to come back to the House of Commons, effectively delaying and obstructing the bill further.

• (1540)

[*Translation*]

Finally the delays and obstructions in the Senate stopped and we will now have fixed date elections.

[*English*]

Our government has also moved to modernize the unelected Senate and to make senators more accountable to the people they serve. We have acted to strengthen accountability in the Senate with legislation that finally seeks to give Canadians a say in who they want representing them in the Senate. The involvement of citizens is fundamental to any democratic institution. Unfortunately, until recently Canadians have had little involvement in the selection of their senators.

The Senate election bill recognizes that it is the citizens of the country, not big money or backroom boys, who are best qualified to advise the Prime Minister on who should speak for them in Ottawa.

We, on this side of the House, are anxious to see the passage of this groundbreaking legislation and that brings us to Bill S-4. The tomfoolery that Bill C-16 was subjected to in the Senate pales in comparison to what has happened to Bill S-4, the legislation that seeks to limit Senate terms to eight years.

[*Translation*]

Bill S-4 was introduced in the Senate on May 30, 2006, almost a year ago.

[*English*]

Remarkably, even though the Leader of the Opposition says that he supports term limits for senators, Bill S-4 remains mired in procedural limbo thanks to Liberal senators bent on obstructing and delaying any meaningful democratic reform.

[*Translation*]

Bill S-4 is a simple bill and just 66 words long. According to my calculations, the senators, who are not elected, have spent more than five days on each word in this bill.

[*English*]

As I have already done several times, I am asking members of the official opposition to urge their colleagues in the upper chamber to respond to the wishes of Canadians and pass Bill S-4. I know the Liberal leader has tried to do that. I know the Liberal senators tend to defy him and just simply will not listen to him. I wish he could muster some authority, some strength regardless of his overall weakness, at least the strength to lead his own caucus on this one issue and get them to pass it.

Our government rejects the tactics employed by some senators to delay an agenda on democratic reform that is endorsed by the Canadian people and we are taking action to respond to the wishes of Canadians to make their national institutions stronger, more modern, more accountable and more democratic.

The accountability with respect loans bill is the latest of these reforms and I look forward to introducing more legislation that will strengthen accountability in the days ahead. The accountability with respect to the loans bill delivers on the commitment of Canada's new government to rid our nation's political system of the undue influence of big money. It shows Canadians that their vote is mightier than the big bank accounts of a powerful wealthy few.

With the passage of this bill, Canada's new government will create an airtight system of political financing, a system that will eliminate, once and for all, the influence of the rich and powerful, of big money, on our political process. It will create a system that Canadians can trust.

The accountability with respect to loans bill would ensure that the 2006 Liberal leadership race was the last time the influence of big money and powerful friends played a role in the selection of a leader of a political party in Canada. Most important, the bill is modern, accountable, realistic and will strengthen our democracy and public confidence in the integrity of our political system.

[*Translation*]

For all these reasons, I am making an urgent appeal to all the members in this House to support the bill on accountability with respect to loans and guarantees.

*Government Orders*

[*English*]

**Hon. Stephen Owen (Vancouver Quadra, Lib.):** Mr. Speaker, I commend the government House leader on the range of topics on democratic reform that he has touched on and I look forward to further debate on this bill so we can examine some of those points a little more carefully.

The reason the government House leader was so explicit in being able to attach the amounts and the lenders of loans to the Liberal leadership candidates last year is because they disclosed who lent the money and who the guarantors were. It was all disclosed, in fact beyond the requirements of the current Canada Elections Act.

I would like to observe in passing that the only leader in the House who has not disclosed the contributions for his leadership is of course the Prime Minister. Therefore, I would ask the government House leader if he would comment on when we will know who contributed to the Prime Minister's 2002 leadership contest.

• (1545)

**Hon. Peter Van Loan:** Mr. Speaker, my friend from Vancouver seems to like to change the subject, as the Liberals do on this matter. I can understand why they do not want to talk about the loans and the mortgaging of their leadership candidates to wealthy and powerful individuals.

The reality remains that the Prime Minister, in his leadership campaign for leader of the Conservative Party, disclosed all the contributors. It was all publicly disclosed. It is a matter of public record.

In fact, in researching this the other day, I even read an article in which I saw that all of his contributions were small contributions and he ended up without a debt. Yet there was another competitor for that leadership contest at the time, the member for Newmarket—Aurora, who apparently financed her campaign almost entirely herself, so again, it is the influence of the wealthy and the powerful that we sort of want to get away from in this process. We have done that effectively on contributions now so that the kind of thing that happened with the member for Newmarket—Aurora will not be able to happen again.

We also want to ensure that we do not have wealthy, powerful individuals getting control over leadership candidates by making them loans when they are desperate, at the worst time, during a leadership campaign, and thereby being able to exercise undue influence.

There is a question we have to ask ourselves in this House. What is the situation when we have a political leader who owes half a million dollars to a handful of wealthy, powerful individuals?

I can tell members that the Prime Minister does not owe any money to anybody. Nobody has a claim on him. Nobody has a claim on what he does on policies.

I am not sure we can say that about the Liberal leadership candidates, who gathered up almost \$3 million in loans from wealthy private individuals. That includes the Leader of the Opposition, who, according to his public disclosure today, owes half a million dollars.

I want to be clear, though, that none of those things are illegal. Everything they did was entirely legal and proper. What we want to

ensure is that it does not happen again and that it will not be legal in the future.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am the first one to say that these political loans were a loophole that had to be plugged. It would have been fundamentally wrong to go into another federal election under the current regime, where big money can still buy undue influence in Canadian politics.

Obviously there is much in this bill that I am pleased to see. In fact, during the Federal Accountability Act discussions, we moved a similar amendment seeking this very type of thing.

There is one thing that I do have a question about. I cannot for the life of me imagine why this implementation will not take effect until six months after royal assent. The House leader for the government can correct me if I am wrong, but that could set up the situation where we are going to conduct one more election campaign under the existing rules. Given that it is now common knowledge that a loan is not a loan when it is not paid back, but a donation, we will have more people than ever doing this if we do not change the rules before another federal election.

The government was adamant that we implement and put into effect Bill C-2 immediately upon royal assent, the very same day. Why does it want to give us a six month grace period in this case?

**Hon. Peter Van Loan:** Mr. Speaker, I want to begin by thanking the hon. member for Winnipeg Centre, who has indeed been a champion on this issue. I think he deserves due credit for having placed it on the public agenda and kept it in the public eye. We must give him due credit for having ensured in the fashion that he did that it was drawn to the attention of the government for action. He, too, can take some credit in the fact that we have brought forward this legislation at this time to address the very serious problem he is concerned about.

In terms of the question of the bill taking effect, I think he also raises some very good questions. It is a legitimate concern. Of course, we always receive advice from the Chief Electoral Officer and others on the time that they need to implement legislation. On this side, of course, we would like to see it brought into place as quickly as possible. We have to look at the practicalities of how to manage those things.

However, it may well be that the member for Winnipeg Centre has raised a very good point. There certainly will be an opportunity after second reading to test the actual practicalities of implementation at committee and potentially an opportunity to call the Chief Electoral Officer, who, I might add, recommended that we bring in this kind of change as well. This has been a recommendation of the Chief Electoral Officer of Canada. There will be an opportunity to test whether it is practical to come up with an implementation take-effect date that is sooner. Certainly on this side of the House the government is very open to that possibility if it can be done.

• (1550)

[*Translation*]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I listened carefully to my hon. colleague across the floor. I think we have heard some very valid points. In my opinion, the government should take them into consideration during second reading.

*Government Orders*

I was part of the legal community for the past 25 years. The Conservatives were in a hurry and wanted Bill C-2 to pass quickly. Another bill is being introduced today in this House, one that amends the first bill, because a few small things were overlooked. I would like to talk about some of those little items that were overlooked. The accountability act provides for whistleblowers to have access to adequate legal counsel, but they are given a limit of \$1,500. I hope the government realizes that, with a \$1,500 limit, the individual could enjoy the services of a lawyer—and with all due respect for my colleagues of the bar—for only 10 hours of work. Moreover, whistleblowing files are extremely complex and often involve considerable ramifications.

I would like to ask my hon. colleague if we should not think about this now and perhaps add a zero to the \$1,500. Personally, I think \$15,000 would be a more appropriate figure under the circumstances.

**Hon. Peter Van Loan:** Mr. Speaker, I thank the hon. member of the Bloc Québécois for his question. He asked a very interesting question, but I think it needs to be addressed to the President of the Treasury Board, who is the minister responsible for this issue and the accountability act.

[*English*]

I would like to also add, however—and we would be happy to hear from him in question period on it and pursue that matter—that we believe that if we have this structure in place with regard to loans financing for political campaigns, we will have gone some distance to strengthen the provisions of the previous Federal Accountability Act and to deal with some of these problems that were not foreseen in their entirety, foreseen perhaps by the member for Winnipeg Centre, but not foreseen by all. The Liberal leadership campaign of course helped to shine a spotlight on that for the rest of us in terms of the danger of the loophole that existed.

This is the nature of legislation in our country. It is an evolving thing. The best thinkers and the best minds do not always do a perfect job. This is a good example of where government has seen a flaw or a gap and we are moving quickly to correct that gap and take action. That is the nature of our government, particularly on the critically important issue of accountability.

**Hon. Stephen Owen (Vancouver Quadra, Lib.):** Mr. Speaker, I am pleased to rise today on behalf of the Liberal opposition and address Bill C-54. I must say at the outset that the government House leader was not able or willing to answer my earlier question about the disclosure of the Prime Minister's leadership funders in 2002.

He did not address that topic, but I think this House needs to know that, particularly in relation to the comments that the government House leader made about the open disclosure of all loans, of all lenders and all amounts by the Liberal leadership contenders last year. Clearly they were acting beyond what the Canada Elections Act required, in good faith and with full disclosure. Everybody knows both what is going on there and the rules that apply to it.

As for the Prime Minister bringing forth this legislation, I think the government House leader suggests that he is somehow on the road to Damascus, leading this House in some epiphany in terms of loans and the way they are treated. Perhaps he was waylaid, misled

or turned around and is actually on the road to perdition, because this bill of course has a perverse consequence. It is a non-accountability act. Again, it is Orwellian in many of the impacts that it will have. I will take some time to explain exactly why this will make democracy weaker in many ways in our country if it goes ahead as it is written, without amendment.

The Liberal Party is certainly very much in favour of transparency and accountability and will be looking toward a bill that properly and effectively tightens up the application and the use of loans in political financing in this country wherever it might be necessary. However, we certainly will also want to ensure that as the bill goes forward the proper amendments are made so that it does not, whether consciously or unconsciously, create a barrier to entry to the political process for those who do not have access to funds or friends who have access to funds, or to financial institutions that reflect their willingness to give loans because they realize that these people already have money, or they have people who will sign for them and back them up with money. We have to be very careful that this is not a barrier.

Let me go back to January 2004, when the former Liberal government brought in the most dramatic changes to electoral financing in this country's history with Bill C-24, and indeed perhaps the most dramatic change than had happened in any democratic jurisdiction in the world, which of course reduced the union and corporation donation limits per year to a mere \$1,000. That is almost meaningless when we are talking about a nation this size. To suggest that a \$1,000 donation by a corporation could buy favour across this country in an electoral process is beyond imagination. In any case, we effectively took that out and left the donations at a \$5,000 level for individual members of the public, who are of course the basic building block and the basic unit of democracy. That is where it should be. That was an extremely important step. It was a dramatic step in the political history of this country.

Bill C-24 also did some other things. It introduced an aspect of proportional representation. I know that many members in the House in all parties are interested in seeing us proceed with consultations and consideration of that. However, when the private money was taken out to such a dramatic degree, Bill C-24 provided for public funding of electoral processes by providing \$1.75 for every vote that any party received in the general election nationwide.

That allowed for a proportionality that corrected some of the difficulties with the first past the post process, where often the number of seats in this House achieved by parties bears very little relation to the proportion of the vote they get. As an example, the Green Party got 600,000 votes in the last election. Under that provision, it received over \$1 million, which allows its members to express the views of the people who voted for them through the financing of their political activity, although not yet representation, across the country. That is a first tentative but important step. It was part of that groundbreaking electoral financing legislation.

*Government Orders*

•(1555)

Let me correct a perception that the government House leader gave, which was incorrect. He suggested there were no rules now covering loans and the disclosure of loans. In fact, the current statutory provisions require the disclosure of all loans. They require the disclosure of the lenders and the guarantors of those loans.

Another misconception is that there are no consequences if these loans can be written off. In fact, there are consequences. Those loans must be repaid within an 18 month period or they fall under the political contribution rules, which are very strict.

It is not a way to have money given. It is money loaned for a period during an electoral process, either a leadership process, as was involved last year with the Liberal leadership, or perhaps a nomination process where someone does not have access to party funds or riding association funds. If people were unable to take a loan, that might well be a barrier to entry into the political process for people who were not of independent means. There are consequences. Those must be converted and that is an important aspect to it.

Who owns the Prime Minister? The government House leader raised the issue of the Liberal leadership candidates and the influence of big money, but we still have not had an answer about who financed the leadership bid of the Prime Minister in 2002.

Why do we want to know that? We want to know that for the very reason the government suggests we need the bill. We already have provisions in the Canada Elections Act that cover both disclosure of loans and repayment of loans and consequence if we do not. In any event, why do we want to know? It is an immensely important question. Is it U.S. gun lobby? Is it big oil? Who made those contributions to the Prime Minister's leadership race in 2002? We will come back to that until we get a proper answer, until the Canadian people get a proper answer. These are important issues.

Let me talk about the name of the act, the accountability with respect to loans act. It could be called the new Conservative bank of Canada act. It is big money that would get more influence because of the way the act is written currently. We will seek amendments to ensure it does not simply limit the influence that can be exerted to those with money or have access to big money. Let me tell members why.

Financial institutions are the only ones that can make big loans to individuals. If people are maybe from a disadvantaged group or an under-represented group who have not been in politics before, who seek a nomination in a riding, those people do not have independent wealth, they do not have a riding association yet to loan them funds, as is allowable under this bill, and they do not have, perhaps, credit worthiness to go to a bank. What does that person do? The individual is left out. They simply cannot, effectively. With the limits under this, there is a barrier to entry into the nomination process.

If we look at the Liberal leadership process that went for nine months of fulsome discussion and debate across the country, presenting 11 candidates for scrutiny by the public in a highly open and democratic process, those were expensive. We cannot do that in a country the size of Canada without having some funds to expend for it.

Those should be under rules, and there are rules. There may be some tightening up that the bill can do, and that is fine. However, to say that people taking out loans so they can exercise their right to take part in the democratic electoral process for leadership, for nomination, is going down the wrong road.

•(1600)

In fact, the bill, as written, does not, as Bill C-24 previously did, take out corporate money and put in public money that was properly and evenly distributed according to the proportion of the vote achieved by each party that ran candidates. This cuts out the public and brings in the big money.

Who can get a loan from a bank, from a financial institution? It is someone with a lot of money or property to put up as collateral, or someone to co-sign or support the loan. Those are people of influence and money. This is letting the money in. It is not keeping the money out. That is what we will have to see. I look forward to working with members of the Bloc, the NDP and the government to see if we can get some amendments so we do not create a barrier to entry for people who have no means and are not yet part of the political process. That transparency is immensely important.

We have an organization called Equal Voice. All members of the House will be well aware of and knowledgeable about it. The organization seeks to encourage women to enter the political process so we can rise above the deplorable disproportion of men to women in the House of Commons, with 20% representation by women.

The leader of the official opposition, the leader of the Liberal Party, has pledged that in the next election one-third of the Liberal candidates will be women. We are well on the way in the nomination process to achieving that. This is a demonstrative move to try to get a proper proportion of gender equity into the House.

If this goes to committee, I am sure Equal Voice, representing all parties and all people across the political spectrum, will be very interested to come to talk the committee and to give evidence, as will many other groups who represent disadvantaged or under-represented sectors of this society. They will want to come and give their evidence on it. I hope we will take instruction from them as to how, perhaps unintentionally, the unavoidable consequence of this will be, to exert more power, not less, in those who have access to large amounts of funds.

This new Conservative bank of Canada act is interesting. It may tighten up the rules a little. It is not so that the Canada Elections Act now does not require loans to be repaid or be converted into contributions under the very restrictive rules. It is not so that contributors, lenders or co-signers do not have to be disclosed for political loans. They do have to be.

*Government Orders*

I am as anxious as anyone else in the House to see that this process is not abused, and if we can tighten it up, all the better. However, we have to ensure there are no unintended consequences of creating barriers to disadvantaged and under-represented groups.

The government House leader took some time to describe a number of what were called democratic reform bills, or statutes, in the House as brought forward by the Conservative government, and it is worth talking about a few of those.

One is Bill C-2, the Federal Accountability Act. Members of the House and the committee of the House spent a great deal of time on this as did members of the Senate. In fact, unencumbered by a set deadline that was forced on the House committee in the House, the Senate put forward dozens of amendments through its careful review of that act, even under the constant shrill criticism of the government that it was slowing things down.

Regarding slowing things down, royal assent was given to the Federal Accountability Act on December 15, 2006. Here we are, almost five months later, and one of the central parts of that act was the appointments commission. Amendments by the NDP sharpened that up. We had two choices. The Liberal opposition put forward amendments. The NDP put forward amendments. All of them would have been effective, and will be effective, as it was finally passed, but all these months later, all of these appointments later, dozens of them, and we still do not have the appointments commission. This was one of the key things that was said by the government to be so important about the Federal Accountability Act. We do not even have a commission.

● (1605)

We continue without the proper controls. We had suggested that the Public Service Commission take over this role, that there be amendments to its mandate to apply the same rules, competitive process and objective criteria used in the public service for any order in council appointments, but we still do not have that.

I would be very interested to hear from the government when it is going to proceed with that important part of Bill C-2. There were so many complaints about it being delayed when in fact there were a very large number of responsible, thoughtful and careful amendments suggested by the Senate, and actually passed into law.

Bill C-16 deals with fixed dates. We supported that on this side of the House. There was no delay. There was careful consideration in the Senate. There was a thoughtful amendment put forward. It was brought back to the House with that amendment. We on this side offered the government, before the Easter recess, to pass the bill through all processes in the House, back to the Senate, hopefully, for royal assent in the day before we broke. That was rejected. We would have needed unanimous consent, but we did not get it from the government.

Bill C-43 was mentioned by the government House leader. It is not a Senate elections act; it is a consultation act, with provincial elections. It is being put forward as a great democratic reform. I think all members of the House believe, as do probably all members of the other place, that the Senate needs reform in becoming a fully democratic legislative chamber, and we should all work toward that. This is going at it piecemeal. We get criticisms of trying to block the

incremental reform of the Senate, but the fact is it all fits together and it must be dealt with at once.

There are three critical aspects of the Senate that have to be considered together.

One aspect is the selection process, which could include elections or involve terms. The term limit is suggested in Bill S-4.

Another aspect is the mandate. In the future how does the mandate relate to the mandate of the House of Commons? Will it be a mirror legislative body with the same electoral validity that will then lead to gridlock. We have to do to deal with that area of comprehensive reform is to have some kind of dispute resolution mechanism whenever the legislative powers mirror each other in the House and the other place.

Then we have the distribution. We cannot do anything else with the Senate until we work out the distribution. It is amazing that the Prime Minister, and all members of the government, would consider doing something to give a greater validity, greater power to the Senate without fixing the very unfair, inequitable distribution of seats to western Canada, particularly to British Columbia and Alberta.

For all of us from British Columbia and Alberta, it is extraordinary that we might think of increasing the power of that body without fixing the horrible lack of fair distribution to western Canada.

Bert Brown has been mentioned in the House by the Prime Minister as being the senator in waiting, to be appointed sometime this summer. He has played a very important role in the political life of Canada. He did not play that role by plowing one E into his barley field or a wheat field. He plowed three E's into it. To try to deal with just one E at once in a piecemeal incremental way, as the Prime Minister says, is not in the favour of Alberta, from where that fine gentleman comes. Nor is it responsible reform in the comprehensive way to properly bring the Senate into the modern age of a democratic legislative chamber. We have to work together to do that.

● (1610)

We often hear about the ghosts of Meech Lake and the ghosts of Charlottetown. We also hear that we cannot go near the Constitution because, my goodness, we might all get distracted and not be able to do anything else in this country and we will never get anywhere. Thank goodness the Fathers of Confederation were not so shy about dealing with the Constitution. We should take on that responsibility ourselves.

● (1615)

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, I have nothing but the greatest of respect for the hon. member. I understand the member will not be running in the next election which will be a great loss for this House.



*Government Orders*

Does the member not see the purpose of the bill? I will use an example without mentioning names. One of the runners in the past Liberal leadership convention actually raised almost \$800,000 from one individual and he received that money through a loan. The rules suggest that a candidate can raise a maximum of \$1,000. If that individual had 800 donors giving him \$1,000 that would represent a much greater amount of people and hence, in my view, democracy would have played out.

What we are trying to avoid with this bill is an individual going to the bank and asking for \$800,000 which would be guaranteed by another individual. Now whether the individual won or lost, what we are trying to avoid is that individual declining to pay the bank back and the bank then going to the individual who guaranteed the loan and calling it in. We see that clearly as one individual paying \$800,000 to a bank, which is skirting around the contribution limits by Elections Canada. I wish that kind of creative intelligence was used to solve the problems in Canada, not used to skirt the law. Does the member not see that singular advantage of simply saying that the rules are \$1,000? We need to play catch-up and make these laws.

Does the member not agree that it would be much more advantageous to just play by the rules? The full intent of the law is that a person can only contribute \$1,000. Simply borrowing through the bank and paying the bank and not the person is just creative thinking and it skirts the law.

**Hon. Stephen Owen:** Mr. Speaker, Bill C-54 would allow for exactly what the member has described. If an individual had his own property and resources and went to a bank to borrow \$800,000 against his assets, Bill C-54 would allow that.

All of the Liberal leadership candidates, to one extent or the other, took out loans because this is a big country and the process is long, which requires financing. Those loans need to be converted within 18 months into contributions under the current limit, which, under the Federal Accountability Act, is \$1,100. Every one of those leadership candidates has the responsibility now of raising money under the rules of the Federal Accountability Act to convert their loan. We know they are out doing this. The member makes a very good point because that is exactly what those people are committed to and required to do at this stage.

If we can identify areas of abuse that might happen, then we should work together to fix them and plug them. However, those leadership candidates are under that requirement now.

[*Translation*]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I listened carefully to what my Conservative colleague said, and to my Liberal colleague's response. I must admit that I had some trouble with the member's response, not the Conservative's for once, even if his question, after taking a few detours, was difficult.

I have a question for my colleague. Does he not think that this is a misappropriation of the law? The person who discovered this is brilliant. Since I am a lawyer, I like to dig around sometimes. So I think it was pretty brilliant.

Someone borrows \$100,000 from one of his friends who has a business. He runs in the leadership race and either gets elected or not. Let us say that he is elected leader. He borrowed \$100,000 here,

\$200,000 there and \$300,000 from someone else. He owes about \$800,000 or \$900,000, and he decides that he will not pay them back. They go back to those who had loaned him the money.

Do you not think this seems a little like a conflict of interest? When he is potentially elected prime minister, he will owe money to his creditors. Do you not think the Conservative amendment is opportune, and that they came up with this proposal to avoid this appearance of a conflict of interest?

• (1620)

[*English*]

**Hon. Stephen Owen:** Mr. Speaker, it is a confusing area and we need to manoeuvre through it quite carefully.

The point is that under Bill C-54 if there is a guarantor for a loan of \$100,000 from a financial institution to a leadership contestant and that money is not repaid and the bank goes to the guarantor, that does not absolve the leadership contestant from having to obey the election contribution laws.

In my understanding of it, and I would like this to be part of the debate, there would still be the obligation on the political contestant to convert the money that he or she spent during the leadership or nomination process or whatever within 18 months to something that fits within the Federal Accountability Act, in this case individual contributions of \$1,100.

I would be very concerned if I am wrong but I do not think I am wrong in saying that the political contestant would not be absolved from responsibility to convert that loan into contributions within the set limits. I think that is true now, let alone under this new bill.

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, I listened to the member's speech, in which he talked about a number of issues, and I appreciate the questions from the hon. member from the Bloc on this particular topic, but I am still not absolutely clear.

The member said that some of the things in the bill are in the right direction, that it might take some amendments and so on and so forth. I like to be clear and I think Canadians like to be clear. The hon. member has read the bill and knows what we are trying to do. I cannot figure out whether the Liberals are interested in supporting this in principle and sending it to committee for further amendments or not. I would like an answer to that question.

**Hon. Stephen Owen:** Mr. Speaker, the answer to that question will come during the vote at second reading. I am sure the hon. member would not be suggesting that we forgo the debate, that debates are irrelevant and that none of us would change our minds or accept new information during the debate.

Liberals take debate very seriously. We will all listen very carefully to each other in the House and make our decision known once we have more information through debate.

However, I can say that the official opposition is very supportive of accountability and transparency in the election loan aspect of political financing, as well as every other aspect of political financing. I am sure that if this bill can be improved, then it will be approved.

*Government Orders*

• (1625)

[*Translation*]

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, it is my pleasure to speak to Bill C-54, An Act to amend the Canada Elections Act, which specifically addresses accountability with respect to loans. The Bloc Québécois supports this bill, which seeks to prevent individuals from bypassing campaign financing rules.

As we all know, this bill seeks to correct and clarify a few things that Bill C-2 left out. Members may recall that Bill C-2, which the government touted as its key piece of legislation, as the foundation for cleaning up campaign financing and governance, had a number of shortcomings that had to be rectified. Among other things, Bill C-2 introduced new restrictions on campaign contributions, limiting any individual's annual contribution to a registered party or candidate to \$1,100 and prohibiting contributions from unions and businesses.

As unbelievable as it might seem, individuals could still get around these restrictions by taking personal loans. For example, several candidates in the recent Liberal Party of Canada leadership race took out big loans from individuals and financial institutions. Bob Rae, who was defeated by the current leader of the official opposition, owes \$580,000 to John Rae, the vice-president of Power Corporation. The current leader of the opposition borrowed \$430,000. The current deputy leader of the Liberal Party borrowed \$170,000, and Gerard Kennedy borrowed \$201,000. The cunning, discreet use of loans gave candidates access to enormous sums of money.

Some may be tempted to question the figures I just mentioned, so I will reveal my source, which was a table printed in *La Presse* on November 18, 2006.

This bill will also rectify another problem with Bill C-2 on government accountability. During the study of Bill C-2, it became clear that the Conservative government was much more interested in passing the bill quickly than in correcting the kind of ethical problems that have plagued both this government and its predecessors.

I would remind the House that, at the time, the opposition parties, the media and the Democracy Watch group raised the issue and the government refused to act. This bill corrects the problem of loans that circumvent limits on political contributions. I will probably not have enough time to cover both points in great detail, but I would like to emphasize that we are not satisfied with what the Conservatives have done about protecting whistleblowers and in terms of reforming the Access to Information Act.

As for protecting whistleblowers, as we all know, during the last election in January 2006, the Conservatives made a number of election promises dealing with this issue.

• (1630)

These aspects were not included in the accountability act. Allan Cutler, one of the whistleblowers originally involved in the disclosure of the sponsorship scandal and a former candidate for the Conservative Party during the election, was somewhat critical of Bill C-2. Yet, Allan Cutler was an ally of the Conservatives. He

maintained that Bill C-2 was far from perfect and had some problems that needed fixing, especially with respect to the provisions for protecting whistleblowers.

Bill C-2 has another flaw that has to do with the Access to Information Act. I would remind the House that, on April 5, 2005, the Liberal government presented a discussion paper on access to information reform. That paper was criticized by all observers, including the Conservative Party. In addition to doubling the minimum administrative fees required of the public, the bill introduced by the former Prime Minister, the hon. member for LaSalle—Émard, maintained all the exceptions included in the act. The Liberal Party never managed to bring about a viable reform of access to information, despite its 13 years in power.

The Conservative government promised during the last election campaign—we remember the holier than thou promises of this government—to reform the Access to Information Act. This is what was said at the time:

A Conservative government will:

Implement the Information Commissioner's recommendations for reform of the Access to Information Act.

We are still waiting for this reform. The truth is—in this case and so many others—that once in power, the Liberals and the Conservatives are one and the same. When they are in the opposition, the Conservatives criticize the Liberals and make a big fuss about ethics and governance. Once in power, the Conservatives use pork barrel politics and put both hands in the cookie jar, as my grandmother used to say.

The information commissioner recently observed that this is a common trait in all governments. He also said that the reason we need to take action instead of conducting more studies is that governments continue to distrust and resist the Access to Information Act and the oversight of the Information Commissioner.

The proposed changes are fourfold. First, the bill would establish a uniform and transparent reporting regime for all loans to political parties, including mandatory disclosure of terms and the identity of all lenders and loan guarantors.

The second change proposed by this bill is that unions and corporations would now be banned not just from making contributions as set out in the Federal Accountability Act, but also from making loans.

Third, total loan guarantees and contributions by individuals could not exceed the annual contribution limit for individuals established in the Federal Accountability Act, namely \$1,100 in 2007.

Only financial institutions, at commercial rates of interest, and other political entities could make loans beyond that amount. Rules for the treatment of unpaid loans would be tightened to ensure candidates cannot walk away from unpaid loans: riding associations will be held responsible for unpaid loans taken out by their candidates.

*Government Orders*

•(1635)

In conclusion, Mr. Speaker, I have to say that the Conservative Party is not a bastion of transparency, even though it is the party you belong to. You sit in that chair as the guardian of democracy and the person who makes sure debates are conducted properly. I look in your eyes, and I know that you cannot corroborate what I am saying and that, as deputy speaker, you cannot openly support what I am saying. But since you are a responsible member, I am certain that you would agree with me that the Conservative Party is not a bastion of transparency.

In a few short months, this party has built up a track record that shows a lack of political will to obey the rules and put an end to what Mr. Justice Gomery called the culture of entitlement. Besotted and obsessed with power, we come to believe that the money entrusted to us belongs to us personally. It is as though we were running our own business.

I am sorry, but that money is entrusted to us as managers, custodians of the taxes Canadians pay, and it belongs to the taxpayers, who are sick and tired of paying taxes.

In Quebec, we had to file our federal and provincial income tax returns by May 1. I am sure that most of the people who are watching are tired of paying taxes and feel that they pay far too much for the services they get in return.

Public money, taxpayers' money, must be managed openly and transparently. Denouncing the sponsorship scandal that involved the Liberal Party, Mr. Justice Gomery said that it was time to do away with the mentality behind the culture of entitlement and the attitude people in government have that they can do anything they want and they do not care about the people. This is not the way things should be.

There is a proverb that says that he who lives in a glass house should not throw stones. I would like to point out that the current Prime Minister, leader of the Conservative Party, admitted, in December 2006, that he omitted to disclose to the Chief Electoral Officer the collection of hundreds of thousands of dollars because he believed they represented registration fees paid by Conservative delegates attending the party convention in May 2005. The party was forced to record the registration fees for the convention as donations. The report states that the party then discovered that three delegates, including the Prime Minister, had exceeded their annual limit of \$5,400 in contributions to the party. Consequently, the Conservative Party was forced to return \$456 to the Prime Minister and two other delegates.

There is something else. This government denounced the lobbyist culture associated with the running of the Liberal Party. In and of itself that is a good thing. However, we must recognize that when the Conservative Party was in opposition with us, it denounced this culture that sought to enrich lobbies and the fact that the Liberal Party paid more attention to lobbies than to citizens. We agreed with our colleagues from the Conservative Party when they were in opposition.

However, once in power, they did the same thing. I will provide two small examples. With regard to the current Minister of National Defence, I do not know what happened but, after the opposition

asked questions about Afghanistan and the mistreated and tortured Taliban prisoners, he lost his voice. We know that a good dose of laryngitis lasts a few days.

•(1640)

There are great medications for this, and eventually the laryngitis goes away. The Minister of National Defence lost his voice three weeks ago. This is worrisome. What is going on with the Minister of National Defence? Why does he not want to answer our questions? If he is no longer able to do his job, the Prime Minister should seriously consider replacing him. He is a completely useless minister. We have to wonder about the wisdom of the Prime Minister's decision to appoint a former lobbyist as head of the Department of National Defence.

Let us remember that when he was a lobbyist with Hill and Knowlton, he spent a decade working for the largest military equipment, arms and weapons dealers. His clients included BAE systems, Raytheon Canada and General Dynamics. He is now responsible for awarding military contracts worth about \$20 billion. Let us remember the tour taken last year when Parliament was not in session. They went to Fredericton and announced the purchase of aircraft. They went to Valcartier and announced the purchase of jeeps. They went to Ontario to make other announcements. They went to Alberta or Manitoba, I cannot remember which, and made even more announcements.

They did all of their shopping without engaging the House of Commons in debate. It just so happened that they waited until the House adjourned for the summer to go on a big tour making military spending announcements. The chief lobbyist is also the Minister of National Defence, who awarded over \$20 billion in military contracts.

Can we be sure that the Minister of National Defence, who has remained silent on the subject, is working in the best interest of taxpayers rather than in the best interest of his former clients? The question is a good one, and the answer is obvious.

What is more, the current Prime Minister made Sandra Buckler his director of communications. The auditor general produced a devastating report about the Royal Lepage relocation services saga. Apparently, in 2005, Ms. Buckler, a lobbyist, met with members of the Standing Committee on Public Accounts, who had serious doubts about how Royal Lepage was using public funds. As a reward, the Prime Minister made her his director of communications. One might well wonder whose interests were being served in the Royal Lepage relocation services file: Ms. Buckler's or those of taxpayers?

One might also question contracts awarded to political friends. The Conservative government awarded a communications contract to Marie-Josée Lapointe, who was part of the current Prime Minister's transition team. One might also wonder about partisan appointments and appointing judges and immigration commissioners on the basis of their political beliefs. Much could be said on the topic.

*Government Orders*

Unfortunately, I have only about a minute left. I will have to wrap things up unless I have the unanimous consent of the House to speak until it is time to vote. I would be happy to do so, but I believe it is my NDP colleague's turn to address the House.

In conclusion, the Bloc Québécois supports this bill. I think that the government should seriously consider doing something about certain major loopholes that are still around despite Bill C-2.

• (1645)

[English]

**The Acting Speaker (Mr. Andrew Scheer):** 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 Don Valley East, Afghanistan; the hon. member for Gatineau, Official Languages.

Questions and comments, the hon. member for Burlington.

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, I appreciate the intervention by the member opposite on the topic we are discussing, accountability with respect to loans, but if people had tuned in to listen to the member half-way through his 20 minute speech, they would not have had a clue about the bill we are debating. The member went off onto other tangents, which he, like any other member, is entitled to do, but I would like to bring us back to the debate on the bill.

The bill we are debating today deals with loans for those running for office and its principles are fourfold. It establishes a uniform and more transparent reporting regime for all loans to political parties, associations and candidates. Unions and corporations will now be banned from making loans to political parties, associations and candidates, consistent with the Federal Accountability Act. Total loans, loan guarantees and contributions by individuals cannot exceed the annual limit, which in 2007 is \$1,100. Only financial institutions can give loans at commercial interest rates to political parties. The rules for the treatment of unpaid loans will be tightened to ensure that candidates cannot walk away from unpaid loans. The actual riding associations will be responsible.

That is really what we are debating today. I know that my colleague from the Bloc started by talking about that. I just want to be on the record to make sure that people watching or listening at home will understand what we are talking about today. I also want to confirm that the Bloc is supportive of those four principles or changes. Is there anything in the bill that it is not supporting?

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, as I began, I stated that the Bloc Québécois is in favour of the principle of this bill. However, I would like to tell my hon. colleague that this government's approach to ethics and transparency is like an unfinished symphony. They can pat themselves on the back and say that they got this, that and the other thing done, and that they made some corrections thanks to Bill C-2. They can say such things, but I would like to enlighten my colleague. I say it is an unfinished symphony because it still has some major shortcomings, particularly concerning whistleblower protection. Allan Cutler said so himself. He was a candidate for the Conservative Party. He was a whistleblower. He was the first to see the problem and stand up. We would expect this government to include provisions for whistleblower protection as well as real

reforms to access to information, as called for by the Information Commissioner.

I can repeat it again for the member. Yes, the Bloc Québécois is in favour of the principle of Bill C-54 concerning loans. Yes, we agree that there were some improprieties during the last Liberal Party leadership race. Yes, we agree, but we think the Conservatives must also take a closer look at themselves. Perhaps things have happened in the past on their side.

**Mr. Marcel Lussier (Brossard—La Prairie, BQ):** Mr. Speaker, I thank the member for Montmorency—Charlevoix—Haute-Côte-Nord for his speech on C-54. I would like to hear his comments on what the House Leader told the newspapers, when he said that his government did not intend to table a retroactive bill.

Is there not some justification for making retroactive legislation regarding these contributions?

• (1650)

**Mr. Michel Guimond:** Mr. Speaker, this question is being asked by a member who is serious, a member who works hard. In our case, unlike the questions posed to a minister by a member of the party in power, it is not a question that I had anticipated. My colleague, even though he belongs to the same party, did not send me his question in advance.

Those listening in the galleries or elsewhere and who are observing question period should understand that when a Conservative member poses a question to a Conservative minister, the minister knows he will be asked a question and he often reads the answer. That is what we call a softball question, which is not the case for my colleague's question and I will take the time to answer.

There should be a retroactive review of what happened because that confirms that the past will never be sanctioned and that wrongdoing may have been committed. Given that there was not an applicable law, we just keep going and the situation is not corrected. It is something that we should seriously consider. My colleague from Brossard—La Prairie, who is an excellent MP and very active in his riding—I have heard what people say about him—was right to raise this question.

[English]

**The Acting Speaker (Mr. Andrew Scheer):** Questions and comments, the hon. member for Burlington

**Mr. Gary Goodyear:** Is it a prepared question?

**Mr. Mike Wallace (Burlington, CPC):** No, Mr. Speaker, it is not a prepared question. It is interesting that the Bloc member brought up the prepared question in question period, something those members will never experience, because as we know the Bloc will never form the government of this country. That party is not interested in being part of this country. I am not sure exactly why those members are here.

*Government Orders*

There is another part of this that I would like to comment on. I happen to be on the Standing Committee on Access to Information, Privacy and Ethics. Since my colleague brought it up, when we tabled the Federal Accountability Act in this House we also tabled the open government proposal, which was proposed by the former information commissioner, and a response paper that went with it. That was referred to our committee.

It was the Bloc members who said to our minister that they did not want to deal with that. The issue was that they wanted the minister to go away and do something, even though this House had committed a piece of potential legislation, or at least a framework for it, to that committee for its review. It was the Bloc members who led the charge not to deal with it at that time.

Based on his response earlier today, does the member feel that the members of his party on the ethics committee should change their position and move to review the open government proposal that had been provided to us?

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, I will give the standard answer. The leader of the government often says that committees are masters of their own procedure. If the members of that committee want to change their position, they are free to do so.

A member asked why the Bloc is represented in this House. My answer is that the Bloc is represented in this House because people in Quebec asked us to represent them and decided that the Bloc Québécois is the only party that can truly defend the interests of Quebec.

The member should pay attention. I am not questioning the democratic choice made by the people of Burlington, in his riding. He won election democratically, and so did the 51 Bloc Québécois members in this House. The member has nothing to teach anyone about democracy. There are Bloc Québécois members in this House because Quebecers recognized that it is important to have members who can truly defend their interests.

You say that we will never be in power, but you are in power, and people tell us that it is a good thing the Conservatives are in a minority situation. If the Conservatives had a majority, what would they do about the war in Afghanistan and the environment, with all their pro-oil positions and biases? We do not need to take any lessons from anyone on the Conservative side.

• (1655)

[*English*]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I should begin my comments on Bill C-54 by recognizing and paying tribute to the former leader of the New Democratic Party who most recently sat in the riding of Ottawa Centre, because it was he who blew the whistle on the fact that the political donation regime in this country left a loophole that was so outrageous it was bound to be exploited and abused.

Mr. Broadbent had the sense to recognize that even though the amounts of money that can be donated to a political campaign or to a political party had been reduced, by allowing these huge loans, which never really have to be paid back, it was obvious that somebody with a lack of ethical standards would take advantage of

that loophole and would begin to act as if there were no financial limitations. I recognize Mr. Broadbent for raising this issue for us in his ethics package.

I am gratified that today we are dealing with a bill in the House of Commons that will close this last remaining loophole, one of the most serious loopholes in our election financing laws, because we start with the basic premise that nobody should be able to buy an election in this country, or a politician, for that matter. When we are dealing with such massive amounts of money, the point that was made by the House leader of the government was that a politician or a political party is going to owe somebody a great deal. They are going to owe somebody an obligation, a debt, and it is not healthy for the interests of democracy to have some corporate sponsor pulling the strings of politicians through this enormous debt of gratitude that is owed. That is the fundamental principle here. That is the direction in which we believed we needed to go.

These loans were a loophole that simply had to be plugged. The most egregious example, I suppose, and what really caught the public's imagination, was during the Liberal leadership campaign. Even though businesses and unions were not allowed to donate a single dollar, they could loan tens of thousands of dollars or hundreds of thousands of dollars, and individuals could loan far in excess of what they were allowed to donate.

Then, through the very loosey-goosey standards and rules that exist in terms of the repayment of those loans, if the loan was not paid back within 18 months it was deemed to be a donation, albeit an illegal donation. We allowed this contradiction to exist in our election finance regime. Some would say it was by design that the rules put in place by the previous government to put limits on election financing left this convenient loophole there, with it knowing full well their people would stumble upon it, seize on it and use it.

The other example that turned people's heads and simply sounded the alarm that this had to be addressed was the member for Mississauga—Streetsville. Even though a business is not allowed to donate anything and a union is not allowed to donate anything, his business loaned the Mississauga—Streetsville riding association \$176,000 in one loan, I believe it was, and another \$60,000 in another loan.

How can that be? It is a contradiction that we have allowed to evolve, because if that loan is not paid back within the 18 months, it is deemed to be a donation, and then we will have allowed a business to make a donation, which it is not allowed to at all, and a donation in the amount of a quarter of a million dollars, which is clearly in excess of anything contemplated when we set the donation limits for individuals at \$1,100 per year.

This had to be done. I do take some recognition of the fact that we played a role in bringing this about. It was the NDP that moved this as an amendment during the Federal Accountability Act debates, but I also caution that we perhaps have not gone as far as we could. There are two things in the bill that worry me somewhat.

*Government Orders*

Even though we cannot pass legislation retroactively to give us some satisfaction on the debacle of the Liberal leadership loans or the loan of the member for Mississauga—Streetsville, we can have legislation that is retrospective in nature. We can look at ways to address these loans that drew the public's attention to this issue to make sure there is some compliance with at least the existing regime.

● (1700)

The second thing that we find fault with regarding this legislation is we cannot understand for the life of us why the date of implementation will be six months after the bill receives royal assent. My colleague, the government House leader, suggested that perhaps there is a way we could speak to the Chief Electoral Officer and garner support for the idea of a more rapid implementation date. I would urge the government to do so, because as the bill is currently drafted, it is possible we could have another federal election under the current set of rules which allow these political loans.

Now that it is common knowledge that there is no law against lending someone \$100,000, even though the donation limit is only \$1,100, a lot more people will be doing it if it is allowed. It would be morally and ethically wrong to allow another federal election to take place under the current set of rules. Therefore, I would urge members when the bill gets to committee, to look favourably on the idea of an amendment, which we would be happy to put forward, that the date of implementation should be when the bill receives royal assent.

This is much in the same spirit that we looked at the Federal Accountability Act. We did not see any reason to delay the implementation of the election financing rules associated with the accountability act, even though the Liberal Party urged us strenuously to delay and delay and delay because the Liberals wanted to get their leadership convention out of the way. That is certainly one of the things we would like to see.

I heard my colleague from the Liberal Party try to make arguments against this bill. Even though I do not take this remark seriously, I do give him credit for at least having the courage to try to be creative to find some reason why this bill is a bad idea.

I do have to counter one of the arguments he made which was completely spurious. He suggested that by banning these loans or putting severe limits on these loans, it would actually act as a barrier to those who do not have access to friends with money from entering into politics. It is like arguing night is day, because that is absolutely 180 degrees the polar opposite of what any cursory reading of the bill would tell us. In actual fact, the idea is to take big money out of politics and to take away the unfair competitive advantage that people who are well connected currently enjoy. The idea is to level the playing field.

That was the purpose of Bill C-24, which the Liberals introduced when they first put limits on donations. The idea was to get big money out of politics so that nobody could buy influence. That was certainly the argument put forward under Bill C-2 when we further reduced the donation limits to \$1,100.

It is courageous to argue that this is actually the inverse. It takes a lot of guts to stand there and try to make that argument, but we cannot let that go unchallenged. If anything, this is an enabling measure that does level the playing field so that all of us, if we need

to borrow money to get our campaign started, have to go to a recognized lending institution. No single person would be able to underwrite or co-sign a loan to an extent greater than the person would be allowed to donate in that year. It is eminently sensible because if there is a default on that loan and the loan becomes deemed to be a donation later on, then the donation would not be in excess of what the person would have been allowed to donate. It seems common sense to me.

A further innovation and protection here is that we do not want the precedent set by Paul Hellyer and the Canadian Action Party to set the tone. In that case, he simply wrote off the \$800,000 debt to the Canadian Action Party. We do not want to see John Rae writing off the debt to Bob Rae. We do not want to see Mr. Mamdouh Stephanos writing off the \$200,000 debt which was loaned to the leader of the official opposition. That would be fundamentally wrong because then those guys would have made a \$200,000 loan which became a donation which they then forgave. Talk about buying influence in a campaign. What about the \$100,000 that Marc de la Bruyere loaned to the leader of the official opposition?

We have every reason to believe that the leader of the official opposition will probably pay back those debts because he will have the ability to fundraise within the \$1,000 limit and because he is in a fishbowl and everybody is watching what he is going to do with his campaign debts.

● (1705)

What about the losers in that race? For instance, I used the example of John Rae, a senior executive with Power Corporation, being able to simply write off and forgive the \$840,000 that he loaned to his brother, Bob, to run in that campaign. That would be a travesty. That would be an absolute abuse of the election financing laws as we know them today.

With this bill, it is deemed that if the loan is not paid back in an acceptable period of time, or the time frame negotiated between the lender, a bank, and the borrower, or 18 months, whichever comes first, it would be the riding association and the political party of the riding association that would have to assume that debt. That would make sense. In fact it would help from an equity point of view for the person borrowing the money, because the person is actually borrowing the money with the guarantor of the political party that the person belongs to. The financial institution would have some comfort. The person would not have to find a financial backer to co-sign that loan; in fact, the person would not be allowed to.

If, as I have done, one needed to borrow \$20,000 to get the campaign started, one would need to find 20 guarantors at \$1,000 each. No one person could co-sign the loan. That is the way it should be. If the person cannot find 20 people to sponsor his or her entry into politics, perhaps that person should rethink whether he or she should be going into politics or not because the person is not going to get very far anyway.

I think this is eminently fair. It has covered the three conditions that the NDP raised during the debate on the Federal Accountability Act. I completely reject the Liberals' argument that there could be perverse consequences which would limit entry into politics.

*Government Orders*

Again my colleague from Vancouver Quadra very cleverly planted the idea that perhaps Equal Voice would be disappointed with this initiative, as if this would somehow be a barrier for more women to enter politics. I would argue that the absolute inverse would be true, because this will level the playing field so that well-connected people with corporate sponsorship, like we saw in the Liberal leadership race, will not have a competitive advantage over a woman without those connections. Again it levels the playing field. We have not had any indication how Equal Voice would react to this bill, but from what I know of the people in that organization, I think they would support this idea.

I wish we would not reform the election financing regime in such a piecemeal fashion. There are a number of other things that the NDP has been calling for. One I will speak to briefly is that now that Bill C-16 has passed very quietly and without fanfare over in the other place, it is now law and we have fixed election dates, I believe we should have year-round spending limits. Now that we know elections will be held every four years on a fixed date in the month of October, there should be some regulation on the amount parties can spend on advertising not just during the writ period but outside the writ period as well. That is a necessary natural consequence of having fixed election dates. I would look forward to some movement from the government in that regard.

I also wish we had done something about the age of political donors. I am very critical of the idea that we can actually launder money through our children's bank accounts in a way to exceed the donation limits allowed by law. That seems to be acceptable in that when it happened in the Liberal leadership race and we filed complaints with the elections commissioner, nothing came of it.

I guess if an 11 year old wants to donate \$5,000 to a political candidate, nobody thinks twice. When it is twins and they both decide to donate \$5,400 each to the same candidate, nobody thinks twice. Throughout the whole country Canadians shook their heads when they saw that. I would like to see us have the courage to move forward and say that this is simply wrong.

It is wrong to launder money through anybody's bank account if the purpose is to defraud the system and exceed the donation limits allowed by law, whether it is one's mother-in-law or brother. A person is not allowed to donate the maximum himself or herself and then sneak a cheque under the table to his or her buddy and say, "Send this along to the Liberal Party for me too". It is against the law to conspire to defraud the system. We are silent on that and even when we file complaints on that, the elections commissioner seems to be silent on it.

• (1710)

The NDP tried to move an amendment to Bill C-2 which said that underage people could donate money, but if they did, it would be deducted from the total amount their legal guardian was allowed to donate. In other words, if a 14 year old felt strongly enough about politics and wanted to donate \$100 of the money he or she earned at the burger joint, more power to him or her, but that meant the child's parents or legal guardians would donate \$100 less that year. If people get a tax advantage from being children's legal guardians, they have to be legal guardians in this era of politics unless and until the children reach legal age as well. That would have been a courageous

move and would have cleaned up one of those embarrassing situations that we allow in our system currently.

Let me speak briefly about the outstanding issue that we are all worried about, which is the issue of the member for Mississauga—Streetsville, who is not a Liberal any more, but when the loans took place he was. Now he is a Tory.

I do not know how we are going to address this, but we should remind everybody, and maybe through this speech we will serve notice, that no one's sweetheart can bail out somebody like that. If someone borrows \$50,000, as many of the people did in the Liberal leadership campaign, and it is not paid back quickly, the candidate cannot pay it off because he or she would be exceeding the limit. The candidate cannot have a guardian angel donor show up out of nowhere and bail him or her out. The money has to be paid back within the donation limits.

The money was raised within the donation limits of the act, which is \$1,100 per year. I do not see how some of these candidates are going to do so. The burden of proof is on them to pay it back in compliance with the law. Some of these failed leadership candidates are now raising money for the next federal election and they are still asking people for money to pay off the debt they incurred.

As I say, it is not that tough for the winner to pay off the debt. It is a lot tougher for the losers, the ones who did not win. It has to be the \$1,000 limit. We are watching. These people are in a fishbowl and we will be filing complaints. If they do not pay it back at all and it is deemed to be a donation, then what? I will tell the House what.

Under the current election laws, and this should be fixed too, they can take out another loan to pay off the first loan and buy themselves another 18 months. Then the debt gets lost in the sands of time and we will have been complicit with somebody conspiring to defraud the election system. Those are the people on this list that I have right here.

Some of the people in the Liberal leadership campaign might find themselves in that situation. It would be wrong, but they may be leaning that way and our Elections Act is not tough enough to stop that from happening. I was disappointed, in fact I was shocked to learn that would be allowed, that they could take out a second loan to pay off the first loan and buy themselves another 18 months. Who is going to be around to police whether the second loan gets paid off three or five years down the road? This is really not satisfactory.

If we are serious about levelling the playing field, about taking big money out of politics and about making sure that nobody can buy an election in this country, we have to go all the way. We should put together an election financing regime that we can all be proud of. We could be an international centre of excellence. That would make me proud.

I take some pride, as I said at the beginning of my remarks, that it was the former leader of our party, the hon. Ed Broadbent, who brought this issue to light and said, more or less, that no further federal elections should take place until we clean up the election financing regime in this country. The NDP tried to do it during the debate on the Federal Accountability Act. It seemed to take a little longer than we thought to resonate with the ruling party, but it seemed to have at least accepted the need for this now.

*Government Orders*

We are critical that there will be a six month wait after the bill receives royal assent. We expect this to get a rough ride from the Liberal Party. I am not trying to state the obvious, but if one cannot raise or borrow money, one is not going to be in any hurry to pass this bill.

• (1715)

We hope the Liberals do not stall it unnecessarily, but I think the government should act quickly to take that six month proviso out of the way, implement it as soon as we can, and get it through the House, so that the next federal election can be run with equal opportunity for everybody and that no unfair competitive advantage go to those who might enjoy a corporate sponsor or guardian angel donor.

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, I was actually trying not to smile because this is serious business, but I do remember when we put in place the rule that one could only contribute \$5,400 to a candidate. Of course, then there were those creative thinkers who decided they would shovel the money to their children's trust funds and get little kids to donate their money.

Then we had this issue. Does the member know how to get an \$800,000 donation to his campaign? I thought this was extremely creative. How one would do it is to get a friend to co-sign a loan at the bank. The bank would give me the \$800,000 as a loan and then I would renege on the loan. The bank would go back to my friend who would pay the bank. Ultimately, my friend never gave me any money. I think that is creative. That is how we skirt the law.

I do not see the bill as piecemeal. I actually see this as continually chasing those creative folks who are intent on bending and violating the rules. I would agree. We have a lot of work to do on this stuff, but I suspect we are going to be doing it again in two years. I just want to get confirmation from the member that he is going to support the bill wholeheartedly and continue to work with us to make sure that we are ahead of these creative thinkers who want to skirt the law and not abide by the law.

**Mr. Pat Martin:** Mr. Speaker, it would be morally and ethically wrong to deliberately take steps to circumvent the law, but there are those who unfortunately appear willing, at least in the case of the way that we phrase it, of shaking down children for their lunch money in the last Liberal leadership race. We were all offended by that. The whole country was taken aback.

Canadians did not think that politics had descended to that, but whether one launders money through the bank accounts of one's children or the bank accounts of brother-in-laws or grandmothers, if one is taking steps to circumvent the law so that one can donate more than is allowed by law, that should be dealt with. I think we should swoop down on it and make an example of somebody. I am disappointed how toothless the Elections Act really is.

The Elections Commissioner is supposed to look into these things, but when we file complaints of that nature, those officials seem unable to bring charges or to really bring anybody to task.

In the other context, when is a loan not a loan? If it is never paid back, I guess it is a donation. Businesses and trade unions are not allowed to give a single dollar. We are glad about that, even though the NDP used to get about 18% of our total contributions from

labour organizations. When the law came in we said, absolutely, we are in support of that. Let us make it that only individuals can donate money in the election process.

Businesses and unions cannot give a single penny, but the way the law was left by the Liberal government, they can lend \$100,000. They cannot donate \$1, but they can lend \$100,000 or \$1 million with a wink, wink and nudge, nudge indicating it really does not have to be paid back. That would be wrong, but I have a good feeling that it is exactly what we are seeing in some situations.

Now that the word is out, that this is in fact legal and I am not saying anybody did anything illegal, that this can take place I am afraid that if we allow another election to take place without plugging this loophole, that many people will take advantage of it. Why would one not if one was that ethically challenged?

**Hon. Stephen Owen (Vancouver Quadra, Lib.):** Mr. Speaker, I listened carefully to the comments by the member for Winnipeg Centre. I recognize him as being genuinely interested in these issues. I know he wants to ensure that our democratic process is properly financed within strict rules, that those rules are not broken, and that they work toward the public good rather than toward some selected interests.

The member did toss off quite lightly my earlier comment and concern that an unintended consequence of this legislation, if it is not amended and we have to think carefully together how it might be, may be that disadvantaged or otherwise under-represented groups or individuals might be foreclosed from entering initially the political process. They would not have a riding association because they were not elected. They would not be a candidate because they have not won a nomination. They may be going for a nomination or going for leadership, but they do not have sufficient means to be seen as credit-worthy to a financial institution.

While the expressed intention of the bill is to get big money out of politics, I am afraid that there will be some circumstances where only people with big money will get the loans at commercial rates. It will be people with a lot of assets that could be pledged against any loans. It is fine to get \$20,000 from 20 individual people for a nomination contest, and that may be sufficient, but it is not sufficient if someone is going into a nine month country-wide leadership event, which is very good for democracy in terms of a constant debate over that period of time, but with 11 different candidates involved.

I know the member for Winnipeg Centre said that he does not take this seriously, but I think it is serious, and we are going to hear about it at committee from some expert witnesses from disadvantaged or otherwise under-represented groups.

I wonder if he can think of some way that we might amend this legislation to prevent that situation from occurring, even if he thinks it is unlikely. I think we will hear it is possible. I wonder if he has any ideas on how to make sure that this barrier to entry does not take place as a result of this legislation.



• (1720)

**Mr. Pat Martin:** Mr. Speaker, the member for Vancouver Quadra said that some individuals may be disadvantaged if they are not deemed credit-worthy to a lending institution et cetera. Under this bill, seeing as the ultimate accountability is the political party, if the loan is not paid back, the riding association would then be responsible and then ultimately the political party that the individual belongs to would be responsible after 18 months. That actually creates a more level playing field and perhaps makes the person more credit-worthy.

In the current situation, that same individual, without a great deal of assets who wants to get into politics, would be blown out of the water by a competitor with a corporate sponsor who may be able to make a loan of \$100,000. That would not be allowed any more.

Both individuals would have to appeal to the bank on equal footing. I do not think the bank would lend one of them \$100,000 and one of them only \$5,000. It would probably be interested in looking at them both equally because ultimately the political party would end up paying that back if either of them defaults.

I am not concerned, but I certainly have an open mind. If witnesses come before committee and make that case, perhaps there are things we can do. We are genuinely interested in seeing this bill pass because I believe that in the broader context it would address the need that we identified in terms of leveling the playing field.

**Mr. Bruce Stanton (Simcoe North, CPC):** Mr. Speaker, on the question of personal loans from individuals, the member brought up an important point. If the lender was to allow the person who had borrowed the money to not repay the loan, it occurs to me that might set up a situation where the lender might be able to declare that bad debt as a loss. Would there be any way that individuals could somehow use that to reduce their own income tax payable to the government? I wonder if the hon. member could possibly imagine such a scenario.

• (1725)

**Mr. Pat Martin:** Mr. Speaker, that is a very good point in that we may have another perverse consequence that someone would be getting a tax break by taking part in this whole charade which undermines the integrity of the Elections Act.

An even further perverse consequence is if one did not pay back the loan should one have to put it down as income the next time one files taxes. Perhaps Bob Rae would have to declare another \$800,000 worth of income if he does not pay back the \$800,000 to his brother. It is loaded with problems.

**Hon. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I believe my time is quite limited, but I will try to summarize my views on Bill C-54 in which I am very pleased to participate today.

I guess I come at this particular issue from the point of view of transparency. I think as members of Parliament we should disclose the sources of any funding, the sources of any loans, but I am not particularly excited about the limits.

We introduced in our mandate Bill C-24, the elections financing act. In fact, I was the only member of the Liberal caucus at the time that voted against the bill at report stage. I felt that it was wrong-footed. I understood that the time the need to restrict corporate

### *Private Members' Business*

donations and in fact a group of us tried to work out a compromise and limit corporate donations to \$10,000, but that was not to be.

I have in my riding companies that have branch plants and operations across the country. Under the previous regime of Bill C-24, they could donate \$1,000 and now they cannot even do that. If they have branch plants they might want to support the political process and give \$250 to the MP or the candidate in a certain riding. I think it is unfortunate that we have brought in these limits for unions and business. I do not think it is appropriate.

In 1998 the Canadian banks wanted to merge. They were very anxious to do that. The banks, it is well known, used to provide huge donations to all the political parties and what good did it do them?

I think the idea that corporate donations buy influence is vastly overstated. I totally believe in transparency, but my problem with this particular bill is that it tends to have some unintended consequences in the sense that it might preclude people who do not have access to cash to get involved in the political process and take out a loan.

The current provisions of the legislation already call for them to repay the loans and they have to do it within the context of the loan limits, of the donation limits, so they cannot avoid the donation rules through loans. Therefore, I am not sure what this new bill is all about, other than restating what is already on the books.

The member for Winnipeg Centre talked about the laundering of money. I think that is a pretty strong statement. I know our country has brought in one of the strongest anti-money laundering regimes in the world. If this was a money laundering operation, I would certainly object to it, but I know my colleague from Vancouver Quadra is the expert on this. I know he will be trying to improve the bill at committee.

I certainly hope, when the bill comes back to the House, it will be new and improved and then I will be happy to have a look at it.

**The Deputy Speaker:** Order, please. I think I will end the member's speech there. Of course, he will have more time remaining. When the House returns to this particular bill, he will have 16 minutes left to give us the benefit of his views.

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## PRIVATE MEMBERS' BUSINESS

• (1730)

[English]

### INCOME TAX ACT

The House resumed from May 2 consideration of the motion that Bill C-207, An Act to amend the Income Tax Act (tax credit for new graduates working in designated regions), be read the second time and referred to a committee.

**The Deputy Speaker:** It being 5:30 p.m., the House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-207 under private members' business.

Call in the members.

*Private Members' Business*

● (1800)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 182)*

## YEAS

## Members

Alghabra	André
Angus	Asselin
Atamanenko	Bachand
Bagnell	Bains
Barbot	Beaumier
Bélanger	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bennett	Bevilacqua
Bevington	Bigras
Black	Blais
Bonsant	Boshcoff
Bouchard	Bourgeois
Brison	Brown (Oakville)
Brunelle	Byrne
Cannis	Cardin
Carrier	Chan
Charlton	Chow
Christopherson	Coderre
Comartin	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cuzner
D'Amours	DeBellefeuille
Deschamps	Dewar
Dhaliwal	Dhalla
Dosanjh	Dryden
Easter	Eyking
Faille	Folco
Fry	Gagnon
Gaudet	Gauthier
Godfrey	Godin
Goodale	Graham
Gravel	Guay
Guimond	Holland
Hubbard	Ignatieff
Jennings	Julian
Karygiannis	Keeper
Kotto	Laforest
Laframboise	Lalonde
Lavallée	Layton
LeBlanc	Lee
Lemay	Lessard
Lévesque	Lussier
MacAulay	Malhi
Malo	Maloney
Marleau	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
Matthews	McCallum
McDonough	McGuinty
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Merasty	Minna
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Nadeau	Nash
Neville	Ouellet
Owen	Pacetti
Paquette	Patry
Pearson	Peterson
Picard	Plamondon
Proulx	Ratansi
Redman	Regan
Rodriguez	Rota
Roy	Russell
Savage	Savoie
Scarpaleggia	Scott
Sgro	Siksay
Silva	Simard
Simms	St-Cyr
St-Hilaire	St. Amand
St. Denis	Steckle

Stoffer	Szabo
Telegdi	Temelkovski
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thibault (West Nova)	
Tonks	Turner
Valley	Vincent
Volpe	Wasylycia-Leis
Wilfert	Wilson
Wrzesnewskyj— 155	

## NAYS

## Members

Abbott	Ablonczy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Arthur	Baird
Batters	Benoit
Bernier	Bezan
Blackburn	Blaney
Boucher	Breitkreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Carrie	Cassey
Casson	Chong
Cummins	Davidson
Day	Del Mastro
Devolin	Doyle
Dykstra	Emerson
Epp	Fast
Finley	Fitzpatrick
Fletcher	Galipeau
Gallant	Goldring
Goodyear	Grewal
Guergis	Hanger
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Lemieux
Lukivski	Lunn
Lunney	MacKay (Central Nova)
MacKenzie	Manning
Mayes	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Pallister	Paradis
Petit	Poilievre
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Scheer	Schellenberger
Shiple	Skelton
Smith	Solberg
Sorenson	Stanton
Storseth	Strahl
Sweet	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Toews	Trost
Tweed	Van Kesteren
Van Loan	Vellacott
Verner	Wallace
Warawa	Warkentin
Watson	Williams
Yelich— 121	

## PAIRED

Nil

**The Deputy Speaker:** I declare the motion carried.

*Private Members' Business*

(Bill read the second time and referred to a committee)

\* \* \*

[English]

**EMPLOYMENT INSURANCE ACT**

The House resumed from May 3 consideration of the motion.

**The Deputy Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion at report stage of Bill C-269 under private members' business.

● (1810)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 183)

**YEAS**

Members

Alghabra	André
Angus	Asselin
Atamanenko	Bachand
Bagnell	Bains
Barbot	Beaumier
Bélanger	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bennett	Bevilacqua
Bevington	Bigras
Black	Blais
Bonsant	Boshcoff
Bouchard	Bourgeois
Brisson	Brown (Oakville)
Brunelle	Byrne
Cannis	Cardin
Carrier	Chan
Charlton	Chow
Christopherson	Coderre
Comartin	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cuzner
D'Amours	DeBellefeuille
Deschamps	Dewar
Dhaliwal	Dhalla
Dosanjh	Dryden
Easter	Eyking
Faille	Folco
Fry	Gagnon
Gaudet	Gauthier
Godfrey	Godin
Goodale	Graham
Gravel	Guay
Guimond	Holland
Hubbard	Ignatieff
Jennings	Julian
Karygiannis	Keeper
Kotto	Laforest
Laframboise	Lalonde
Lavallée	Layton
LeBlanc	Lee
Lemay	Lessard
Lévesque	Lussier
MacAulay	Malhi
Malo	Maloney
Marleau	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
Matthews	McCallum
McDonough	McGuinty
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelega)	Ménard (Marc-Aurèle-Fortin)
Merasty	Minna
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Nadeau	Nash
Neville	Ouellet
Owen	Pacetti

Paquette	Patry
Pearson	Peterson
Picard	Plamondon
Proulx	Ratansi
Redman	Regan
Rodriguez	Rota
Roy	Russell
Savage	Savoie
Scarpaleggia	Scott
Sgro	Siksay
Silva	Simard
Simms	St-Cyr
St-Hilaire	St. Amand
St. Denis	Steckle
Stoffèr	Szabo
Telegdi	Temelkovski
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thibault (West Nova)	
Tonks	Turner
Valley	Vincent
Volpe	Wasylycia-Leis
Wilfert	Wilson
Wrzesnewskyj — 155	

**NAYS**

Members

Abbott	Ablonczy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Arthur	Baird
Batters	Benoit
Bernier	Bezan
Blackburn	Blaney
Boucher	Breitkreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Carrie	Casey
Casson	Chong
Cummins	Davidson
Day	Del Mastro
Devolin	Doyle
Dykstra	Emerson
Epp	Fast
Finley	Fitzpatrick
Fletcher	Galipeau
Gallant	Goldring
Goodyear	Grewal
Guergis	Hanger
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Lemieux
Lukiwski	Lunn
Lunney	MacKay (Central Nova)
MacKenzie	Manning
Mayes	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Pallister	Paradis
Petit	Poilievre
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Scheer	Schellenberger
Shiple	Skelton
Smith	Solberg
Sorenson	Stanton
Storseth	Strahl
Sweet	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Toews	Trost
Tweed	Van Kesteren

*Private Members' Business*

Van Loan  
Verner  
Warawa  
Watson  
Yelich— 121

Vellacott  
Wallace  
Warkentin  
Williams

McTeague  
Ménard (Marc-Aurèle-Fortin)  
Minna  
Murphy (Charlottetown)  
Nash  
Ouellet  
Pacetti  
Petry  
Peterson  
Plamondon  
Ratansi  
Regan  
Rota  
Russell  
Savoie  
Scott  
Silva  
Simms  
St-Hilaire  
St. Denis  
Stoffler  
Telegdi  
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)  
Thibault (West Nova)  
Tonks  
Valley  
Wasylycia-Leis  
Wilson

Ménard (Hochelaga)  
Merasty  
Murphy (Moncton—Riverview—Dieppe)  
Nadeau  
Neville  
Owen  
Paquette  
Pearson  
Picard  
Proulx  
Redman  
Rodriguez  
Roy  
Savage  
Scarpaleggia  
Siksay  
Simard  
St-Cyr  
St. Amand  
Steckle  
Szabo  
Temelkovski  
Turner  
Vincent  
Wilfert  
Wrzesnewskyj— 148

## PAIRED

Nil

**The Deputy Speaker:** I declare the motion carried.

\* \* \*

[English]

**IMMIGRATION AND REFUGEE PROTECTION ACT**

The House resumed from May 4 consideration of the motion.

**The Deputy Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion at report stage of Bill C-280 under private members' business.

● (1820)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 184)*

## YEAS

## Members

Alhabra	André
Angus	Asselin
Atamanenko	Bachand
Bagnell	Bains
Barbot	Beaumier
Bélanger	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bennett	Bevilacqua
Bevington	Bigras
Black	Blais
Bonsant	Boshcoff
Bouchard	Bourgeois
Brison	Brown (Oakville)
Brunelle	Cannis
Cardin	Carrier
Chan	Charlton
Chow	Christopherson
Comartin	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cuzner	D'Amours
DeBellefeuille	Deschamps
Dewar	Dhaliwal
Dhalla	Dosanjh
Dryden	Easter
Eyking	Faille
Folco	Fry
Gagnon	Gaudet
Gauthier	Godfrey
Godin	Goodale
Graham	Gravel
Guay	Guimond
Holland	Hubbard
Ignatieff	Jennings
Julian	Karygiannis
Keeper	Kotto
Laforest	Laframboise
Lalonde	Lavallée
Layton	LeBlanc
Lemay	Lessard
Lévesque	Lussier
MacAulay	Malhi
Malo	Maloney
Marleau	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
Matthews	McCallum
McDonough	McGuinty

Abbott	Ablonczy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Baird	Batters
Benoit	Bernier
Bezan	Blackburn
Blaney	Boucher
Breitreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Brunoogoe
Calkins	Cannan (Kelowna—Lake Country)
Cannon (Pontiac)	Carrie
Casey	Casson
Chong	Cummins
Davidson	Day
Del Mastro	Devolin
Doyle	Dykstra
Emerson	Epp
Fast	Finley
Fitzpatrick	Fletcher
Galpeau	Gallant
Goldring	Goodyear
Grewal	Guergis
Hanger	Harris
Harvey	Hawn
Hearn	Hiebert
Hill	Hinton
Jaffer	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Khan
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lemieux	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Manning	Mayes
Menzies	Merrifield
Miller	Mills
Moore (Port Moody—Westwood—Port Coquitlam)	Norlock
Moore (Fundy Royal)	Obhrai
Nicholson	Pallister
O'Connor	Petit
Oda	Prentice
Paradis	Rajotte
Poilievre	Richardson
Preston	Scheer
Reid	Shiple
Ritz	Smith
Schellenberger	Sorenson
Skelton	
Solberg	

## NAYS

## Members

Stanton  
 Strahl  
 Thompson (New Brunswick Southwest)  
 Tilson  
 Trost  
 Van Kesteren  
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Storseth  
 Sweet  
 Thompson (Wild Rose)  
 Toews  
 Tweed  
 Van Loan  
 Verner  
 Wallace  
 Warkentin  
 Williams

PAIRED

Nil

**The Deputy Speaker:** I declare the motion carried.

[*English*]

It being 6:25 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

\* \* \*

• (1825)

[*Translation*]

**EMPLOYMENT INSURANCE ACT**

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ)** moved that Bill C-357, An Act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another Act in consequence, be read the second time and referred to a committee.

He said: Mr. Speaker, I am very proud and honoured to rise today to present my first bill, which deals with a very important issue for my community of the Gaspé and Magdalen Islands.

I suppose that my bill is also important for all the communities that want to be treated with dignity and honour, and for those people who, at some point in their lives, find themselves in a bind, strictly for geographical reasons. For example, people cannot fish all year round, even if they wanted to. In the case of tourism, certain considerations also come into play. And the same goes for natural resources, and particularly the forestry sector.

These people not only need social support, they also need economic support. Now, we are talking about establishing an independent employment insurance fund.

I am in politics primarily because of this issue. I have had the opportunity to work with people to whom I paid tribute on several occasions, but today I want to pay tribute again to Gaétan Cousineau, of the Mouvement action-chômage Pabok, who has, for a number of years already, been leading a great battle for justice, for fairness in the employment insurance system.

At the time, we were experiencing problems in my region. Unfortunately, these problems have not necessarily disappeared over time. Other issues have surfaced because of, among other reasons, what is going on with natural resources and fisheries. Problems and crises have erupted, particularly in the shrimp sector.

So, there are people who want justice, no more and no less, because the Department of Fisheries and Oceans and the minister are not meeting their demands. These people are stuck and they have been in the streets for three days already. They are currently

*Private Members' Business*

occupying offices and marching in the streets. They are expressing their distress, they are sounding the alarm regarding their plight.

We experienced a historic moment this evening when a bill was voted on and concurred in at second reading so that the EI system could be changed and improved.

The bill I have introduced is designed to tighten things up. Unfortunately, governments, past and present, have taken advantage of the fact that those really paying into the EI fund are employees and employers, while the government did not, and that has been going on for years.

As it happens, this fund started to run not a profit, but a surplus that kept growing year after year. In fact, we have even seen record amounts between \$7 billion and \$8 billion. With all this money available, a rather huge chunk of money, the government of the day decided to deal with another problem, namely the deficit, instead of giving the money to the people in the regions, the unemployed who were having a very hard time qualifying or with issues of fairness and equity.

If I am not mistaken, over the years, from the early or mid 1990s until now, some \$50,000 million accumulated in that EI fund has been diverted from its intended purpose. This money was used to combat the deficit.

The hon. member for LaSalle—Émard and former finance minister dared to puff out his chest and boast about helping put Canada's fiscal house in order. He failed, however, to add that this was done at the expense of the unemployed.

• (1830)

The purpose of the bill is to prevent any government from being tempted—and from giving in to the temptation—to take this money and use it for other reasons, as was the case in tackling the deficit at one point. These days we could talk about tackling the debt.

The unemployed, the people in regions like the one I represent and those from other regions are the ones helping to pay down the debt.

That is why it is important to have legislation to stop people with designs on the surplus, which is currently between \$1.5 billion and \$2 billion a year. Let us not forget to whom we owe this surplus and how it came to be.

Let us not forget that there is a surplus because a certain amount of money is being taken directly out of the pockets of employers and workers.

There is a surplus and there are needs. It is only fair that this money be used to meet these needs. However, that is not what is happening. The needs are far from being met, which is causing a growing gap. Not so long ago, the surplus was \$8 billion and the gap was quite large. Now we are talking about a surplus between \$1.5 billion and \$2 billion.

This evening, members of this House passed a bill at second reading stage. In my opinion, this is a good step in seeking justice, but the battle is far from over.

*Private Members' Business*

We have to prevent every government, even a minority government, from dipping into this fund. We are told it is a virtual fund, but that is not so. Workers pay a premium to the employer, which makes this far from being virtual. This money goes directly to the government's coffers. Unfortunately, under the current conditions, we cannot fully trust the government, even though it is a minority, because we see that this money is being used for completely different purposes.

I would like to talk about what is called the summary of the bill, a bill that amends the method for setting the premium rate in the Employment Insurance Act. It also amends a number of provisions in that act with respect to the Employment Insurance Account. The summary is divided into four parts, including one dealing with setting the premium rate.

The bill provides that every year the Canada Employment Insurance Commission will set the premium rate and cause a report to be sent to the Minister of Human Resources and Social Development. The annual report shall contain, among other things, the reasons behind the chosen premium rate.

The report shall also include any recommendations that the commission considers necessary for the improvement of the employment insurance system. The bill provides also that the Employment Insurance Account will no longer form part of the accounts of Canada. This is where we will stop the injustices from occurring. The amounts paid into the Employment Insurance Account will become part of the assets of the Canada Employment Insurance Commission, and the commission will manage them in the best interests of the contributors and beneficiaries under the employment insurance system. In other words, this money will truly serve the interests and needs of the people who pay into the system.

The bill provides that the commissioners who will represent employees and employers shall be appointed from a list of nominees provided by associations representing employees and employers in Canada.

The bill also provides that the government shall pay back, over a period deemed appropriate, the amounts owed to the system, including those used by the government for purposes that did not serve the system.

• (1835)

I would just like to remind this House that the Canada Employment Insurance Commission will be composed of 17 commissioners: a chairperson, two vice-chairpersons, seven employee representatives and seven employer representatives.

The bill provides that the governor in council shall appoint the commissioners who will represent employees and employers from a list of nominees provided by associations representing employees and employers in Canada. The governor in council appoints the vice-chairpersons from among the deputy ministers or the associate deputy ministers of the Department of Human Resources and Skills Development. The chairperson shall be appointed by the House of Commons on the recommendation of the minister following consultation of the commissioners representing employees and

employers. The chairperson shall not vote, but shall cast a deciding vote in case of an equal division.

This gives a bit more background on this bill and some context for our debate.

History is such that we may eventually solve the problem. Speaking as a maritimer, I could say that this bill will be a drop of justice in a sea of injustices. That is how I see it.

It is horrible to see how the employment insurance system has been managed in recent years. It is horrible because, in a way, people's needs have been completely ignored. Entire regions, including the region where I live, have been completely forgotten, ignored and abandoned, as have people who, with the sweat of their brow, have helped money build up over the years. This is referred to as a virtual account, but it is anything but virtual. The employment insurance account worked in such a way that it generated a surplus worth billions of dollars, money that was used for other purposes. I am talking about money that belongs to the unemployed, employers' money. Ordinarily, it should have gone to regions like mine to make the social safety net an economic net as well, but it was used for fighting the deficit and other purposes.

To get back to the facts, various inquiries have been conducted in recent years. The Gomery commission revealed the dark, shameful side of government. I would even venture to say that some of this money, which was stolen out of workers' pockets, was used for disgraceful purposes.

Having said that, it is very important to see that what we are ultimately trying to do is to eliminate temptation, this definite temptation that arises to use a pot of money for other purposes and not for what it was intended.

In all of this, we have the unemployed worker who has his back against the wall because he is a seasonal worker. We should not forget, it is not the worker but the employment that is seasonal. All too often we forget this. We have the impression that people are unemployed because they want to be. Let me tell you that it is not pleasant surviving on 55% of one's wages.

You can be unemployed for different reasons. In the region I represent, there are those who work in agriculture, natural resources such as forestry and fisheries, or tourism. These individuals do not apply for unemployment benefits because they want to. There simply are no more jobs. These people are proud. They have dignity and they would like to have a job for 12 months of the year. That is their goal.

The objective behind tabling this bill today is to seek justice for these men and women who work hard and who, unfortunately, at times, have jobs that are not well paid. Therefore, I urge members of all the political parties to support my bill.

• (1840)

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, I would like to start by congratulating my colleague from Gaspésie—Îles-de-la-Madeleine on introducing this most relevant piece of legislation and by commending the effort he puts into standing up for the people of his riding.

*Private Members' Business*

Having visited his riding on a few occasions, I have had the opportunity to meet with workers who had lost their jobs, and seasonal workers in particular. I have seen how committed my colleague is to defending them, and he is doing a great job representing them.

I would like my colleague to elaborate, something he did not have the time to do earlier, on the situation facing these men and women with seasonal jobs, particularly in the fishing industry. They have been working for years, often in wet working conditions. For example, I have met women who were in their fifties. Their work had worn them out, and they were no longer receiving benefits. When these workers lose their jobs, they have no means of support; they have no choice but to go on employment insurance. I would like the hon. member to comment on that, here, in the House.

**Mr. Raynald Blais:** Mr. Speaker, I want to thank the hon. member for Chambly—Borduas, who is also working hard to bring justice to those who deserve it, who are entitled to being treated with dignity and who are proud of the work they do.

I have had a chance to meet with these people a number of times and I continue to see, in their eyes and in their attitude, the pride of a job well done.

These people have worked for 30 or 40 years, primarily in the fishing industry. They may have started part time and ended up with a permanent job. The conditions are extremely harsh. There is intense humidity. Here in the Ottawa area it is humid, but at least it is a humidity that invites us to bask in the sun. But these people work for an industry, in a steel building that does not necessarily have much ventilation and they stand in water to do a routine job. This goes on for many years. They do this with sweat on their brow and not necessarily for a high salary.

After 30 or 35 years, not only do they have tendinitis or other ailments, but they find themselves in much more serious situations. These people look us straight in the eye and tell us with pride and honesty that they would like to be treated with dignity for what they have done.

We will have an opportunity to talk about that, but I think one way to bring them justice is to offer them an early retirement program. This is part of the other battles we are waging. We have to take action on a number of levels, but we must not forget that these people have worked for 30 or 35 years. They are now 55 or 60. Some are called Madeleine and others Yvonne. They are from the area, from the community, from Rivière-au-Renard or the Magdalen Islands. They are the ones we often see in pictures, the person full of pride and hard work, showing off the fruit of their labour. They say they would like to be treated with dignity one day. I think one way to treat them with dignity, after 30, 35 or 40 years of work, would be to offer them an early retirement program.

Nonetheless, we first have to stop the EI fund from being drained.

I will close by saying that, if we stop this drain, we may obtain one little drop of justice in an ocean of injustice.

● (1845)

[English]

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, I am pleased to join the debate on Bill C-357, a Bloc Québécois proposal to amend the Employment Insurance Act.

The part of the bill that interests me is the one that calls for a separate account for EI. Conservatives have long supported the principle of a separate account. In our policy declaration of the Conservative Party, we stated our commitment to:

...the establishment of an independent employment insurance system, with a self-accounting fund administered by employees and employers, the surplus of which being used to increase workers' benefits or reduce contributions.

In this House, the Prime Minister has confirmed that our government is looking for solutions to meet those objectives.

I too support the principle of the creation of a separate EI account. I also support the tremendous new direction of this government in making changes to the EI system. Canadians are seeing their new government take a very different approach to the old Liberal one. The old Liberals resisted change and did not listen. They stood in the way of returning contributions to the pockets of employers and employees who pay into EI.

Canadians see that their new government is different from the Liberals. They chose a new government because Canadians are different from the Liberals. The Liberals simply would not listen to Canadians and what they wanted to see in a responsible and sustainable EI system.

The new government is listening and we are getting things done based on what we are hearing. In a little over one year since forming government, we have taken action by bringing in measured but meaningful changes. We have heard the concerns of older workers, particularly in Quebec and Atlantic Canada, who were struggling in the face of changes to the labour situations in their regions. They told us that they needed something to help them with retraining and taking their experiences to a new situation.

We listened to their concerns and we responded to their needs with the targeted initiative for older workers. The targeted initiative designs projects for older workers in communities facing ongoing high unemployment or a single industry dealing with downsizing and it helps them. We have also taken action for workers who face work disruptions in regions with high unemployment.

Canadians found that their fortunes in most areas of the country improved once the new government took over. They are enjoying one of the most prosperous periods of economic growth and record employment in Canadian history.

Many sweeping changes to the EI program at a time of unprecedented labour strength would, at best, be difficult to reconcile with the realities of our thriving national economy and, at worst, it would have a cooling effect. Therefore, a major change is not and was not called for.

*Private Members' Business*

However, Canada's new government recognizes that change is required. We appreciate that not all regions are seeing the same growth. We understand the need to make changes to meet these regional realities but we need a measured and effective change.

We introduced a pilot project to extend the coverage for five additional weeks in regions with high unemployment. We heard from seasonal workers and others who told us about the income gap. We wanted to maintain an incentive to work and yet recognize the labour market realities they face.

We have also moved to extend a pilot project that calculates benefits on the best 14 weeks of wages during the last 52. We heard from Canadians who had sporadic employment and were losing out on having their weeks of full time work benefit them. More than 200,000 people in regions of high unemployment benefit from us getting things done for them.

Listening to Canadians is what this new government does and what good government does.

When Canadians came forward with concerns about the limits of their compassionate care benefits, we listened. They told us that there were incidents where benefits ended before the needs they were meant to address were resolved.

• (1850)

Again, it was this government which showed Canadians that their government was listening and ready to make the changes to EI that were needed, for which they asked. Our record, the record of Canada's new government, is one of which Canadians can be proud. Why? Because the changes we are making come from them.

Finally, they have a government that is listening to them. Finally, they have a government that is here for them.

As I return my remarks to the bill, Canadians need only to look at their government's record to see the proof of our commitment to making changes to EI to improve the system for workers and all Canadians. As I said at the outset, I and the new government are firmly committed the principle of a separate EI account. Canadians are satisfied that their new government is interested in solutions, and we will achieve just that.

What Canadians are wondering, though, is where the opposition really sits on EI reform. With 19 EI bills in the works, the other opposition parties have been heaping one EI bill after another onto the order paper, voting for implementation of all, but not prioritizing one of them: \$3.7 billion for Bill C-269; \$1.1 billion for Bill C-278; \$1.4 billion for Bill C-265. There are 16 more EI bills to come, nine of which, including this one, are too complicated to cost. It will cost \$4.7 billion to implement the seven which we were able to cost. That is over \$11 billion in new annual spending.

With all these proposals for one-off changes to EI, adding up to billions annually in new costs, Canadians are looking for someone to stand up for them and think about the EI as a system. Canadians do not believe a system should be stitched together in little bits and pieces. Canadians are looking to their new government to stand up for them. They are hoping to maintain the EI as a system and protect it from the patchwork proposals made by the opposition.

Canadians will be disappointed in their new government if it did not stand up for them and insist on accountability for the use of their money. They would be disappointed if it did not stand up for them and ensure that the policy for which they have asked, and we have committed to pursuing, is also put together not in a piecemeal fashion as we have in front of us today.

In comparison to our record of taking clear action to getting things done with EI reform for Canadians, the record of the opposition member has been all but clear. Canadians have no idea what its priorities really are. Opposition members have not made it clear when it comes to how they plan their legislation. More often than not, they have not made their intentions clear when one looks at the legislation they put forward.

I take my responsibility to my constituents and all Canadians seriously. I take our commitment to a separate account seriously. I will continue to work for that objective.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, on behalf of the Liberal Party, I take this opportunity to speak to Bill C-357. The bill proposes some changes to the Employment Insurance Act as it relates to the setting of the premiums charged to employers and employees.

First, employment insurance is a very important program, a program that plays, in my view and I am sure in the view of all members in this honourable House, a very vital role in assisting workers in Canada when they find themselves either unemployed or underemployed. It is a program that supports workers while going from job A to job B.

Allow me to provide a little history to the employment insurance program for the benefit of all Canadians.

In 1934 the Government of Canada established a program that would provide Canadians with a partial income if they found themselves out of work. The Great Depression, as we all know, resulted in millions of Canadians losing their jobs and going through some very difficult times. As a result, the government took action to provide some income security.

The Employment and Social Insurance Act of 1935 paid minimum weekly wages based on earnings to certain unemployed people. It was in 1940 that Parliament passed the Unemployment Insurance Act, during a period when income security was not an issue. For example, we will recall that the war created well over a million jobs in our country at that time.

The program back then was meant to support, on a short term basis, individuals who were in between jobs and was primarily targeted the so-called blue workers. Since that period, employment insurance has become one of the major foundations of Canada's social safety net.



*Private Members' Business*

Two major changes occurred in the system, once in 1971 and again in the mid 1990s. In 1971 the program became more universal, with a wide range of occupations falling under its legislative scope. For example, further maternity, sickness and retirement benefits were added to the program. Premiums were reduced and benefits were increased. Prerequisite qualifiers were also raised, while benefit levels were to some degree restrained. At that time, the government placed restrictions on benefits for workers who had quit or had been fired. They were deemed ineligible, except for certain exceptions.

During 1971, the government shifted employment services and benefit costs from its consolidated revenue fund to what was then called the UI account. Although there were some efforts to make further changes to the act during the 1970s and 1980s, it was not until the 1990s that major reform to the act took place.

For example, in 1996 unemployment insurance became known as employment insurance or EI, “employment” meaning let us move forward to get people back into the workforce. Of course there were major changes in eligibility, including an “intensity rule” that reduced benefits for repeat claimants, and adjustments to that clause were made in 2001.

I know, Mr. Speaker, you were here at that time. When I was first elected in 1993, the government inherited a very difficult situation of high unemployment. I am sure you recall that it was close to 12%. EI premiums had been rising consistently. I remember at that time it was pegged at \$3.05 per \$100. Our country was described as unofficially bankrupt, so we had very little manoeuvring ability.

● (1855)

Later on as the economy got better, as we had eliminated the deficit much faster than we anticipated, economic growth occurred, employment started to unfold and more revenue started coming in because people were working as opposed to us paying out. We were able to look at adjustments as we removed that intensity rule in 2001.

I believe those changes were necessary at the time because of the difficulties that the country had. One was the \$48 billion deficit and a \$600 billion plus debt that we incurred, inherited from the Mulroney government, the Conservatives.

Earlier today the member for Burlington said that the government was listening to the people. He said, “a government that listens to them”. I think he said that about three times. I always get shivers the moment that someone says to me more than once, “Trust me, trust me”. I do not trust that person. Therefore, when the member for Burlington said on a several of occasions “a government that listens”, it just confirms that it has not listened. Income trusts is one example that I will use.

A short while ago Bill C-269 was before the House, on which we voted, to make some changes to help seasonal workers and to increase benefits in general. We supported that bill, as amended, at committee. I believe that in the current situation we can afford to take a look at EI in general and to see how we can better support all workers.

The comments we are hearing from our constituents, especially our seniors, our veterans and workers in general are as follows. If today our country has been blessed with such high surpluses, close to \$14 billion, thanks to the good work that the previous Liberal

governments did, it is today that we can take that extra step. It is not a risk. It is today that we have these surpluses and we can look at adjusting these programs.

We have workers in the Maritimes, in the north, in the mining industry who unfortunately and for whatever reasons do not have an opportunity, as some would say in downtown Toronto, to have steady employment throughout the year. This is where these programs must exercise some flexibility. I believe these are the times, when the economy is good, when there are surpluses, we can do that.

As often is the case with members from the Bloc, and I say this respectfully, they always attempt to maintain some kind of feigning sense of relevancy to the House by introducing certain private members' initiatives so they can send them in their householders to their constituents and say, “This is how relevant we are”. That is great. I cannot negatively comment on that. That is their privilege, but it is unfortunate because constituents depend on hearing from their members of Parliament a certain message that has relevancy. In a case like this, they are getting someone's goat going. They are getting them excited, and it is unfortunate.

Let me just point out why I made that statement. The member will know that what he seeks to accomplish already exists, thanks to the efforts and the hard work of the former Liberal finance minister, the member for Wascana, and the former Liberal minister of human resources, the member for Newmarket—Aurora. These changes were made.

What we did was formalize the EI rate setting process with an external process run by a chief actuary, something the member for Burlington said “We are going to do as a government”. We have already done it, as a Liberal government.

The member for Burlington should, as should all members, read up on what has been done before they stand up, for the benefit of all Canadians. It is up to the chief actuary to analyze the labour trends, the employment levels, the expected payments to be made and make recommendations to Parliament as to the setting of the EI rate. It is set in such a way which we put in place that it becomes revenue neutral, if I may describe it as such.

● (1900)

Let me repeat again for the benefit of the member for Burlington and all other members, that the EI—

● (1905)

**The Deputy Speaker:** I am sorry to interrupt the hon. member.

Resuming debate. The hon. member for Parkdale—High Park.

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Mr. Speaker, I am pleased to speak to Bill C-357 which is the Bloc Québécois bill to amend the Employment Insurance Act.

*Private Members' Business*

Employment insurance is fundamentally important to working people in Canada. Work is central to our lives. It is not only about the money that we get to support ourselves and our families, it is about our self-worth, it is about who we are as people.

My experience in talking to many working people over the years is that job loss is absolutely devastating to a worker. Any support or any help that workers can get to ease that transition from unemployment back into a paying job is money well spent.

We have been through massive changes in our economy over the last decade or more. We have seen tremendous transitions in new technology, changes in manufacturing, and many thousands and thousands of workers have been through this period of unemployment and had to scramble and find their way back into a job.

Unemployment insurance, as it was originally structured, is designed to help cushion that transition, so that workers can make their way from the job they just lost and get into a new job. Any insurance plan, whether it is for a house, or a car or anything else, is a plan where we pay a premium and then get a benefit. When we pay the premium, we know exactly what the rules are and know we are going to be able to get that benefit.

However, that is not how it works with employment insurance. It is an anomaly to call this insurance because it actually provides very little insurance. In the 1990s of course deficit cutting was the order of the day. There were many cuts to all kinds of programs more aggressive than needed to happen in order to eliminate the deficit, and many people suffered.

The previous government under finance minister Martin made major cuts to many social programs and—

**The Deputy Speaker:** The hon. member should not refer to the member for LaSalle—Émard in the way that she did.

**Ms. Peggy Nash:** Excuse me, Mr. Speaker.

Under the previous government and under the then finance minister from the riding of LaSalle—Émard, there were massive cuts to social programs and major cuts to employment insurance.

Just to give an example, in 1990 about 87% of unemployed workers received employment insurance benefits. Today only about 40% of workers receive benefits. In my province of Ontario, that number drops to about 30%. In my city of Toronto, only about 20% of unemployed workers receive benefits.

These attacks on employment insurance were not just about balancing the books. They were about creating a flexible labour market and about creating insecurity among working people as part of a cheap labour market strategy. Many workers had the rug yanked out from underneath them.

The message was that when workers lost their job, they had to immediately grab any job. Many people ended up taking huge cuts to their income and this created incredible distress. Yes, today we have lower unemployment today, but we also have greater poverty and a growing gap between the wealthy and people at the lower end of the spectrum.

As a result of the rule changes that were made to EI by the previous government, fewer workers qualified for EI benefits so the

fund built up substantially. Rather than improving or restoring those insurance benefits to help working people during a changing economy, the money that had been paid into the fund by working people and employers built up and the previous government dipped in with both hands and over \$50 billion was used as general revenue. What other insurance plan would we pay premiums into where those premiums go not for insurance benefits, but for something completely different?

It is really quite ridiculous that this fund has been plundered the way it has. It is more than ridiculous; it is fundamentally unjust. That money was designed to help the people who paid into the plan and is being used for other purposes. As EI is currently structured it is failing many unemployed adults who pay in and simply cannot get the benefits.

As a result of the cuts of the previous decade many of our social programs, and especially this important workplace adjustment program of EI, have been eroded. This is of national importance not only for the individuals affected but because it tends to cut the ties that bind Canadians.

People saw our government as being responsible for programs like medicare and unemployment insurance, and increasingly these have been frayed at the edges or downloaded to other levels of government that I think it really does fray the ties that bind our country together. That is another consideration for us at the national level.

Sometimes people wonder what government is good for when they are in distress, lose their job, and have trouble putting food on the table. What they thought was there as a support for them in their time of need is not available for them.

Unemployment is low. Personal debt is high. Many people are working harder than ever, and the gap is growing between the rich and the poor. Most people just work paycheque to paycheque. We need governments to stop plundering EI funds. That has to stop.

• (1910)

I support the goal of forcing the government's hand out of the EI fund. What government does need to do is improve the benefits of EI and improve the access to EI to ensure that the principle of the fund, which is to provide the best possible adjustment for unemployed workers, becomes a reality once again in Canada.

It can only become a reality if working people who need the fund get access to the fund. The premiums that are paid for employment insurance must be used for that purpose and be available to working Canadians when they need it.

[*Translation*]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, I am pleased to speak to this important bill, Bill C-357. The bill seeks to give workers and employers, the sole contributors to employment insurance fund, control over their fund.

*Private Members' Business*

I would like to congratulate my NDP colleague, the member for Parkdale—High Park, for her excellent speech, which, in my opinion, summarizes this deplorable situation.

As I begin my speech, I am thinking of people—people who have lost their jobs and have no income and no recourse to employment benefits. They should receive these benefits because they contributed to the employment insurance fund. For example, I am thinking of the people who worked at the Régence plant in Saint-Émile in the riding of Charlesbourg. The Conservative member who represents that riding did nothing to help those people. That is just one example. I could mention other ridings represented by our Conservative colleagues. The Conservatives are misleading people by telling them that they have set up a program to assist older workers—the targeted initiative for older workers, or TIOW. This program is designed to get these workers back into the labour market—those who can still work, that is. That makes sense, because these people want to work.

However, in many cases, people over 55 cannot find jobs because there are none available in the region or elsewhere or because employers do not want to hire them because of their age. These people have no options, even though they contributed to employment insurance for their whole lives. What happened? Take, for example, Whirlpool in Montmagny, or the textile industry in Huntingdon, Sherbrooke, Estrie or Drummondville. Similar situations exist in all of these regions. People did not receive employment insurance or were unable to take advantage of POWA. Why? Because the former Liberal government cut employment insurance programs so deeply that over 60% of workers who lose their jobs cannot collect benefits even though they contributed to employment insurance.

Mr. Speaker, you are someone I know a little bit, and I know that you are cautious. I am sure you have insurance to protect you in the unfortunate event of a car accident, an injury or a house fire. What would happen if your house burned down? You would contact your insurance broker to be compensated, since you pay premiums. How would you react if your broker told you that he is sorry, but you are no longer covered, because the rules changed at some point. He might tell you that your insurance only covered a fire that would have started in the living room, and that if it started in the kitchen, then you are not covered. It is that bad. You would say that this insurer is not honest, that he cheated, that he used the money for other purposes, and you would initiate legal proceedings against him.

The unemployed do not have the option of initiating legal proceedings. Yet, so far, the government has misappropriated over \$54 billion. This is money that belongs to these people.

I have here a memo dated yesterday, which indicates that, according to data released by the government in February and March, employment insurance surpluses stood at \$50.4 billion on March 31, 2007, instead of the projected \$50.8 billion. So, this misappropriation is still taking place.

•(1915)

Yet, when the Conservatives were in opposition, they pledged to put a stop to this misappropriation of funds. They even said that they agreed with the establishment of an independent employment

insurance fund, to allow those who contribute to this fund—the employees and employers—to regain control of their fund, so that it could be used for the purposes for which it was created. However, that is not happening, because the Conservatives are doing exactly like the Liberals. This is a serious economic crime that adversely affects workers who lose their jobs.

Mr. Speaker, you are the most senior member of this House, and you have been representing your riding here for a long time. You are highly esteemed in your riding, and I know that you also care about protecting the interests of your constituents. However, it must be realized that, in each of our ridings, this situation creates an annual shortfall of between \$30 million and \$60 million in the economy, and that families are also adversely affected. Indeed, if the person who loses his job is also the breadwinner, the whole family is affected. It also means less money in the economy of your region, your riding, and your province.

What happens when a person no longer has an income? They turn to social assistance. I do not know how it works in your province, Mr. Speaker, but in Quebec, social assistance was designed for people who have nowhere else to turn. It seems that the money is staying in Ottawa and the responsibilities that should have been taken on by Ottawa are being transferred to the provinces and to Quebec. This further worsens the fiscal imbalance. It is a very serious economic crime and we must take notice. In other sectors, under other circumstances, and even here in this House, people would be up in arms.

It is hard to understand why, once in government, people's only concerns seem to be debt and political priorities. Military equipment and weapons are good examples. Last August, in the space of a week, \$17.5 billion was taken from the consolidated revenue fund for military commitments. Year after year, no less than \$2 billion or \$2.5 billion is taken out. Some years, it is up to \$7 billion. This money does not belong to the country's consolidated revenue fund. It is a straight out misappropriation of funds. How is it done? As I said earlier, by giving fewer benefits to workers, who are losing their jobs and who are entitled to these benefits.

Anyone who is reasonable, sensible and concerned about properly representing their constituents would vote in favour of this bill. Such members would not say what I heard from a Liberal Party member, when he suggested that people do some reading to understand what good things the Liberals did. People do not need to read up on what the Liberals did right, because they are suffering from what the Liberals did wrong. That is what Canadians must live with—with nothing, because of the Liberals. In fact, the Liberals left them with less than nothing. The problem is, once the Conservatives came into power, they seemed to forget everything they had done in opposition. They took on all the Liberals' bad habits.

*Adjournment Proceedings*

It is urgent that we establish an independent fund that will not be administered by the government alone, but rather by a commission made up primarily of employees and employers. Money must also be returned to the fund and there must be reciprocal loans. If the government wants to borrow money, it must make the same commitments it would to a bank. It could pay interest to the fund, which could then distribute it.

This is the nature of the bill and anyone who claims to defend the interests of his or her constituents will vote in favour of the bill. Indeed, I urge all members to do so.

• (1920)

[English]

**The Deputy Speaker:** Resuming debate for a few minutes, the Parliamentary Secretary to the Minister of Human Resources and Social Development.

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, I am happy to discuss Bill C-357, An Act to amend the Employment Insurance Act. I would like to thank hon. colleagues from all parties for their contributions on the bill. All of the opinions put forward on the bill are valuable and provide great input into possible reforms to the EI program.

From the outset, let me state that this government supports the principles behind the creation of a separate EI account. I see other proposals put forward in this bill as well. I note the opposition has proposed several program changes during the course of this Parliament, often without supporting evidence for clear program objectives.

It is important to get these things right. Canadians depend on us and particularly their new government to ensure that the EI system remains a system that is effective, sustainable and reflects their needs.

There is a reason we need to have this debate today. The reason is simple: Liberal mismanagement. The previous Liberal government allowed over a period of 10 years a \$51 billion surplus to accumulate in what many in the House have called the EI account.

During a study of a previous incarnation of this bill, Bill C-280, during the last Parliament the hon. member for Haliburton—Kawartha Lakes—Brock stated during committee study that the Auditor General surely did not foresee that the government would continuously and deliberately overcharge employers and workers and allow a massive surplus to build up, but it did. It allowed the surplus to grow and it became addicted to it.

Liberal mismanagement comes as no surprise. We have seen a billion dollar HRSDC boondoggle under the Liberals' watch. We have seen a \$2 million gun registry turn into a \$2 billion gun registry. They ran a rule-breaking sponsorship program. Now we have seen the accumulation of \$51 billion in workers' and employers' money with no explanation and certainly no apologies. This should come as no surprise to the party of adscam and sponsorgate, but nonetheless, it is no less insulting to every Canadian.

Mr. Speaker—

• (1925)

**The Deputy Speaker:** Order.

**Mr. Pierre Lemieux:** She was just getting started, Mr. Speaker.

**The Deputy Speaker:** I am sorry, I am trying to tell the hon. member that when the Speaker stands up, the hon. member should sit down.

**Mrs. Lynne Yelich:** Mr. Speaker, can I please finish?

**The Deputy Speaker:** Unfortunately, the time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

### AFGHANISTAN

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, in question period on April 30, I had asked the Minister of Public Safety why he was not telling the truth about the detainees and why his own spokeswoman was contradicting him.

The people of Canada are proud of the courageous service being provided by the men and women of the Canadian armed forces currently serving in the NATO-led mission in Afghanistan, but many are deeply concerned with the escalation in violence and the worsening situation in the country.

There is no question that all Canadians support our troops, yet many across this country harbour certain doubts about the Minister of National Defence and the Conservative government's future plans in Afghanistan.

On April 19 the Liberal Party introduced a motion which would have provided Canadians with a definite conclusion to Canada's combat mission as scheduled in February 2009. No one is under the illusion that Afghanistan will become a fully self-sufficient state when the troops leave in 2009, and that is why the Liberal motion included a provision for a non-combat reconstruction role in subsequent years.

A Liberal government would ensure a clear and deliberate strategy in Afghanistan that includes a commitment to better integration of military aid and diplomatic efforts, an effective plan to deal with the illegal opium trade, and to address the chronic water shortage. Yet recently, the handling of the Afghan mission has been tainted by contradictions, confusions and cover-ups by the defence minister and this places our troops at further and unnecessary risk.

Under the Conservatives, the mission has focused almost exclusively on the combat role with little regard for diplomacy and reconstruction. Success in Afghanistan cannot be won by military means alone. The Soviet Union learned this lesson when the mujahedeen forced 60,000 troops out of the country in 1989 after the disastrous attempt to occupy the country.

*Adjournment Proceedings*

Today, damaging earthquakes, limited freshwater resources, soil degradation, overgrazing, deforestation and a crumbling infrastructure all combine to make civil reconstruction a daunting task in the midst of continuous attacks by the Taliban, and yet the Conservative response to the mission has been to order heavy battle tanks and brand new medium and heavy lift aircraft. Since most of this new equipment will only arrive a few months before Canada is scheduled to withdraw in February 2009, many Canadians are left wondering if the Conservatives are really serious about ending our combat role.

I would therefore like to ask the parliamentary secretary one simple question for the record. On May 1 last year, members of this House voted to end Canada's combat role in Afghanistan in February 2009 and to provide adequate notice to our fellow members of NATO. Could the parliamentary secretary inform this House tonight that the Government of Canada has contacted our NATO allies and made it clear that Canada will end its combat commitments as scheduled in February 2009?

• (1930)

**Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC):** Mr. Speaker, it is my pleasure to address the House tonight and, particularly, to elaborate on the role of Correctional Service Canada officers who have recently been deployed in Kandahar.

First, let it be recognized that Correctional Service Canada is participating in the Canadian provincial reconstruction team to support Canada's commitment to helping Afghanistan become a stable, secure and self-sufficient state.

It is clear that one of the key points in assisting Afghanistan to achieve its goals is the establishment of an accountable justice system that recognizes the fundamental importance of the rule of law.

We also recognize that there is a fundamental close-knit relationship between the judicial system, the police systems and a functioning prison system in terms of the establishment of rule of law. By providing capacity building that supports international standards, CSC assists Afghanistan in achieving this establishment of rule of law.

In executing their duties, the officers visit prisons and meet with the wardens and the staff to discuss ways to respect the rules. For example, the officers assess and provide advice on improving the security of the infrastructure and its perimeter and identify means to assist the prison administrators in implementing them. They recommend improvements to meet basic health requirements, such as adequate electricity and drinking water supplies, adequate sanitation installations and proper lighting, heating and ventilation in cells and working areas, and assist the prison administrators in realizing them.

On the management side, our officers discuss with prison administrators their management practices, identify gaps, provide advice, direction and assistance on ways to improve their operations. For example, they discuss and identify training needs for staff to perform their general and specific duties. They examine the prison registry and suggest ways to ensure that it meets all the requirements. They ensure that medical supplies, including first aid kits, are available, properly recorded, stored and dispensed. They provide

recommendation on the education and vocational needs of prisoners, such as setting up classrooms, as well as areas for training in useful trades, to prepare prisoners for the return to normal day to day life.

These are just a few examples of what the officers from Correctional Service Canada have been working on in Kandahar for the past three months. They have made tremendous progress on several fronts. Both the employees and the prisoners of the facilities benefit from these improved conditions.

However, in a more global context, what they are doing is extending the existing authority of the Afghan ministry of justice and the central prison department to the province of Kandahar, thereby contributing to the overall Afghan justice sector reform plan, as stated in the Afghan compact. Through their important work, they are spreading the ideals of justice, respect of human rights and the rule of law to a land that has been wracked by terrorism and lawlessness.

I wish to thank the House for the opportunity to provide information on the role of Correctional Service Canada officers deployed in Kandahar.

**Ms. Yasmin Ratansi:** Mr. Speaker, the detainee debacle has exposed the Minister of Defence to unrelenting criticism, not only in Canada but with our allies around the world. This has also shaken the confidence our troops have in their own government and its ability to defend our forces as they serve bravely in the face of many hardships in Afghanistan.

The Minister of Defence has already had to apologize for misleading Parliament by wrongly insisting that the Red Cross was responsible for monitoring detainees captured by Canadian troops and then turned over to the Afghan national army.

Last week, I asked the Minister of Public Safety if he was satisfied that detainees handed over to Afghan authorities were treated humanly and were not subject to torture.

Could the parliamentary secretary assure the House tonight that no detainee has been subject to torture?

**Mr. Dave MacKenzie:** Mr. Speaker, Canada's CSC is playing a key role in Afghanistan as part of the Government of Canada's efforts to help build a stable, secure and democratic society. It is among many Canadians working to help rebuild its society, institutions and the economy.

Correctional Service Canada has an international reputation and significant correctional expertise, which allows us to contribute to the establishment of a sound correctional system in Afghanistan that respects international standards of human rights and is responsive to the rule of law.

On behalf of this side, I thank those members from Correctional Service Canada who are serving in Afghanistan at this time.

*Adjournment Proceedings*

•(1935)

[*Translation*]

## OFFICIAL LANGUAGES

**Mr. Richard Nadeau (Gatineau, BQ):** Mr. Speaker, on April 26 I asked the Minister of National Defence a question regarding French in the armed forces. As you know, the previous federal government closed the only French-language military college, the one at Saint-Jean. The Liberals did that. The current Conservative government has changed the army's bilingualism policy to reduce the position of the French language.

Even more recently, at Vimy, France, the French on the panels that explained the battle of 90 years ago by the Canadian Forces was incomprehensible. The importance of the language school in Saint-Jean has been diminished by the military's new language policy. The criteria are being lowered and so there are fewer students. Consequently, are we headed towards the closure of another facility?

In view of these facts, I asked a question of the Minister of National Defence, who has a great deal of difficulty speaking French himself. Yet he was a high-ranking officer in the Canadian Armed Forces. I asked him if this did not demonstrate that for the Minister of National Defence of Canada—a bilingual country—French is the least of his concerns.

Given that it was question period and not answer period, the minister's reply was quite pathetic.

Having said that, I would like to quote something Official Languages Commissioner Graham Fraser said quite recently. On March 1, 2007, he said:

I should point out that the Official Languages Act does not confer special or preferred status on the Department of National Defence and the Canadian Forces. The act applies equally to all federal institutions.

In other words, the military is not a state within a state, where people can do as they please. Ours is a lawful society, and official languages have to be respected, even in the Canadian Forces.

The Bloc Québécois condemns the attitude of the Canadian Forces in failing to comply with the Official Languages Act ever since it was passed 38 years ago, in 1969. The least one can say is that it shows a blatant lack of respect for a reality across Canada, in terms of how we define ourselves, particularly in the francophone community, be it in Quebec, Acadia or other provinces or parts of Canada. Such attitude is contemptuous of the French fact in Canada.

We also condemn the new National Defence official languages program transformation model which, instead of ensuring compliance with the law, seeks to mitigate its impact. Under this model, the number of francophone units will be reduced from 62 to 55. Again, there is no respect.

I will let my colleague answer and continue later.

[*English*]

**Mrs. Betty Hinton (Parliamentary Secretary to the Minister of Veterans Affairs, CPC):** Mr. Speaker, my hon. colleague, the member for Gatineau, raised this issue in the House of Commons on April 16. At that time, the Minister of Veterans Affairs was very clear in his reply. He indicated that the government took immediate

action and that the panels with the erroneous French translations were removed from Canada's Vimy Interpretive Centre in France.

Now the member has brought the issue forward again. It gives me an opportunity to explain what happened and why we acted so quickly.

The foam core panels were installed on the evening of June 30, 2006, in celebration of Canada Day last summer. Unfortunately, the timing of the installation coincided with a number of other events that contributed to the error-riddled panels falling through the cracks.

Among other things, Veterans Affairs Canada was in the middle of planning and hosting a number of major events in France to commemorate the 90th anniversary of the Battle of the Somme. At the same time, staffing for senior overseas posts at Veterans Affairs was in a state of transition. The result was a lack of proper oversight during the erection of these panels.

I want to stress that I offer these details only to explain what went wrong and not to justify how the inexcusable translations could have been allowed to go on public display.

Canada's new government is committed to providing services in both our official languages, and our commitment is unwavering. The quick action taken by the Minister of Veterans Affairs clearly demonstrates our determination to honour and to enforce that commitment.

On April 5, as soon as he was made aware of the errors in the French text, errors which he called "totally unacceptable", the Minister of Veterans Affairs took action immediately. He ordered that the panels in question be removed.

I know that members will want to know exactly what the minister said when he took his decisive action. Let me quote directly from his statement dated April 5: "I immediately instructed my officials to correct this situation and to ensure this will never happen again".

As the minister also reminded the hon. member opposite on April 16, we removed the signs immediately. He said:

We did that immediately, long before it was brought to the attention of the hon. member. We did the right thing.

I want to reassure all members as well as all Canadians that we embrace our responsibility to reflect the linguistic duality of our country and we do so proudly. Canada's official languages must be properly displayed at all Government of Canada sites, especially at one as historically significant as the Canada National Vimy Memorial.

This is a clear commitment on behalf of the Government of Canada. We have taken the necessary steps to ensure that such unfortunate mistakes never happen again.

Veterans Affairs Canada has a special mandate of commemorating the service and sacrifice of the brave men and women who have worn our uniform in times of both war and peace.

*Adjournment Proceedings*

Over the first few weeks of April, Canadians gathered across the country from Yellowknife to Toronto, from St. John's to Kamloops, to pay their respects to those who had fought and died in taking Vimy Ridge. Also, of course, Canadians gathered in France. It was especially gratifying and heartwarming to see the thousands of Canadian students who travelled to Vimy to take part in the dedication of the newly restored Canadian National Vimy Memorial.

Many of my colleagues from the Standing Committee on Veterans Affairs were among those to attend. I am sure they have all returned home with their own special memories. The sight of those young Canadians marching in as a group was simply remarkable. To realize that we now have thousands of new ambassadors of remembrance is extremely gratifying.

Veterans Affairs Canada is committed to honouring all of our veterans through such acts of remembrance. We must not forget those who came before us and those who continue to serve our country. I know that we are all very proud—

• (1940)

**The Deputy Speaker:** Order. I am sorry to interrupt the hon. member, but the time has expired.

The hon. member for Gatineau.

[*Translation*]

**Mr. Richard Nadeau:** Mr. Speaker, that is a shame, because my question was for the Minister of National Defence, not the Parliamentary Secretary to the Minister of Veterans Affairs. That said, I will go on.

I would also like to emphasize that the Bloc Québécois is asking the Minister of National Defence and the armed forces to respect the recommendations the Commissioner of Official Languages issued in response to the complaint submitted by the former Bloc Québécois member, Benoît Sauvageau. The complaint, which was well founded, was submitted on September 30, 2003. Steps were to be taken to ensure that in 2006, the Canadian Armed Forces would make many changes to honour official languages.

I would like to end with a statement by the Commissioner of Official Languages, who reported that over a period of about 20 years, the percentage of bilingual military positions filled by bilingual military personnel had not increased by much—

**The Deputy Speaker:** The honourable Parliamentary Secretary to the Minister of Veterans Affairs.

[*English*]

**Mrs. Betty Hinton:** Mr. Speaker, in raising this issue, the hon. member is trying to find controversy where none exists. As my hon. colleague knows, as soon as the Minister of Veterans Affairs was aware he took immediate action. In reference to defence, we are taking immediate action there as well.

The minister called the situation totally unacceptable and he had the panels removed from the interpretative centre.

I would remind all members that Canada's official languages must be properly displayed at all Government of Canada sites. Veterans Affairs Canada is committed to this basic right, just as we are committed to honouring the achievements and sacrifices of our veterans. We do both by ensuring the linguistic duality of our country is maintained in our tribute to our veterans.

We are very proud of our veterans and they have asked us to keep faith with their fallen comrades, to keep alive the memory of those who made the ultimate sacrifice.

As members of Parliament we can do our part to commemorate the service and sacrifice of those who defended our freedoms and who made it possible for us to stand in this chamber and represent our fellow citizens.

• (1945)

[*Translation*]

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24 (1).

(The House adjourned at 7:45 p.m.)





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